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ABSTRACT

In late 1980 several regional and national meetings were convened to develop a set of proposed national goals for linking education and economic development in rural America in the 1980s; the 9 commissioned papers in this report provide background information for the overall project and an appendix contains the resulting 10 proposed national goals. The papers include: "Rural America: The Present Realities and Future Prospects" by William P. Kuvlesky and James H. Copp; "Nature, Types and Scale of Rural Development" by Frances Hill; "The Role of Investment Capital in Rural Development" by Lloyd Brace; "Balancing Technological and Human Resources Development: A New Priority for Rural America" by Roger Blobaum; and "Rural Land Use: A Need for New Priorities" by Wendell Fletcher and Charles E. Little. Other papers address: "Linking Education and Local Development: An International Perspective" by Jonathan Sher; "Enhancing Traditional and Innovative Rural Support Services" by Mary A. Agria; "Toward a More Rational Education-Economic Development Connection in Rural America: The Collaborative Model" by Karl A. Gudenberg; and "State-of-the-Art Report: Exemplary Rural Education and Economic Development Initiatives" by Susan J. White. The 15-page appendix presents in turn the 10 priority issues of the conferences, identifies a central problem for each issue, formulates a goal in answer to the problem, synthesizes the discussion, and provides comments. (BRR)

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Toward An American Rural Renaissance

Realizing Rural Human Resource Development During the Decade of the Eighties

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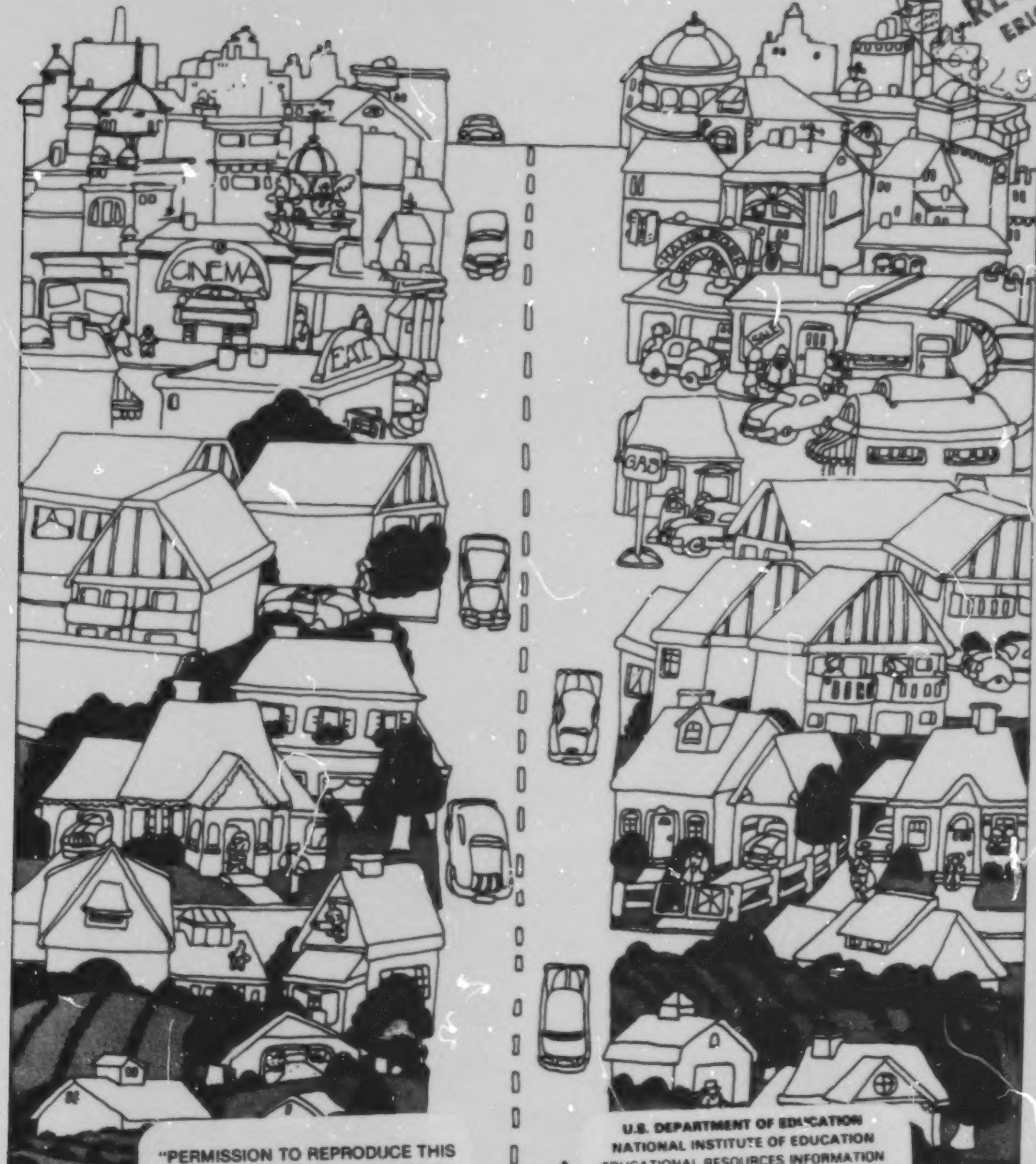

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Foreword

Clearly visible changes are taking place in the rural South. Shifts in population are bringing new growth to both rural and smaller metropolitan areas. Technological innovations are bringing about changes in the way things are done. They also bring stress on traditional rural values. All of these developments create additional demands for community services and facilities, improved educational systems to help develop a more highly skilled labor force and a resolve to maintain the desirable traditional values found in rural areas which helped stimulate the new growth. Indeed, farms, home, businesses and communities all share a common concern in the economic and social environment of the '80s.

In response to these changes and the needs they generate, the Southern Rural Development Center (SRDC) implements programs to assist universities as they aid rural people in problem solving. The SRDC operates on the philosophy that the limited resources available in rural development extension and research in the South can be used more efficiently when coordination, sharing, and cooperation among the Southern states are maximized. This operational philosophy is reflected in both the Center's structure and the activities it undertakes.

As one of four regional rural development centers in the nation, the Southern Rural Development Center focuses specifically on the rural problems of the Southern region. Since 1974 the SRDC has provided support services for capacity building and innovative programming for the Extension Services and Experiment Stations of the 29 land-grant institutions in 13 Southern states, Puerto Rico and the Virgin Islands. To achieve this overall objective, the SRDC emphasizes applied education and research projects; communication networks between educators, researchers and users; conferences and training workshops; and a host of information dissemination efforts to get the latest and best research information and educational materials to state personnel for use in their programs.

The Southern Rural Development Center believes that the human resource base is one of the most significant resources available in the South and its enhancement will clearly add to the economic development of the region. This report can provide background information and insight for local, community and state decisionmakers as they are concerned with the rural development problems of the Southern region.

The Center continually seeks up-to-date and pertinent information relevant to rural development programming designed to help universities with their programs for Southern communities. The SRDC has established itself as a central source of pertinent facts, figures, reports and program designs. The Center issues regular reports on activities of regional interest and meets special or short-term needs for publications as the situation dictates. The SRDC newsletter, CAPSULES, and the publication series provide a forum for exchange of rural development information pertinent to the region. The newsletter provides information in brief form and is distributed to over 1500 persons associated with the land-grant system, public and private agencies/organizations and units of government.

Publishing and distributing this Technical Report is an example of the information back-up support provided by the Center to its universities and others interested in the development of rural areas. The SRDC is appreciative of the National Institute for Work and Learning and the Office of Vocational/Adult Education of the Department of Education for making the material available.

William W. Linder, Director
Southern Rural Development Center

FINAL TECHNICAL REPORT

TOWARD AN AMERICAN RURAL RENAISSANCE:

Realizing Rural Human Resource Development During the Decade of the Eighties

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U. S. Department of Education, Office of Vocational and Adult Education

PROJECT NARRATIVE SUMMARY REPORT

It was with the challenge of "realizing rural human resource development during the decade of the Eighties" that several hundred rural community leaders met during late 1980. At four regional and one national meetings, these leaders - including educators, business representatives, farmers, bankers, agricultural extension agents, representatives of rural advocacy groups and minority interest groups, and public agency officials - worked collaboratively to develop consensus on a set of proposed national goals for linking education and economic development in rural America.

The National conference was hosted by the National Institute for Work and Learning at the National 4-H Center in Washington, D.C. The conference followed four regional conferences in Alma, Michigan; Farmington, Maine; Charleston, South Carolina; and Ceres, California. Each of the regional conferences was hosted and co-organized by a local collaborative council. Funding for the national conference was provided by the U.S. Department of Education, Office of Vocational and Adult Education, and funding for the regional conferences by the U. S. Department of Agriculture, Office of the Assistant Secretary for Rural Development.

The principal products of this project are the conferences themselves, a statement of ten proposed National Goals for Rural Human Resource and Economic Development, a series of eight papers on various aspects of education and economic development in rural America, and a "state-of-the-art" report reviewing exemplary education and economic development initiatives.

Behind the project is the assumption that the past decade's historic reversal of population movements and the present decade's renewed emphasis on traditional community-centered values have created an opportunity for "an American Rural Renaissance."

Key to the ability of rural areas to sustain new population growth is the concept of economic development. Telecommunications technologies may revolutionize the location factor in economic development, thereby enabling many people to work in geographic separation from one another, and consequently enabling immigration to cheaper, more spacious rural living.

Key to the ability of rural areas to sustain traditional values of neighborliness, spaciousness, independence, and self-reliance will be the future role of education in the lives of rural residents. The process of adapting new technologies to rural society and of adapting traditional values and roles to a more complex economic base will require high degrees of intelligence and cooperation among diverse groups both within and outside rural communities. Perhaps the most respected institutions in rural communities, schools and colleges must be at the center of this transition and training process if the opporunities for a rural renaissance are to be achieved.

Commissioned papers report on rural demographics, economic and employment trends, the role of investment capital, technological impacts, the crisis in rural land use, innovative responses to chronic problems in social and public services in rural areas, and international examples of linking education and rural development. The papers are reproduced as a part of this final technical report.

A proposed statement of national goals for rural human resources and economic development evolved from these papers and the discussions at the regional and national conferences. The proposed goals were:

- To develop a wholly new structure of information and communication between rural areas and the principal sectors influencing change: business/industry, state governments, and the federal government.

- To develop local, state, and regional programs and policies which start from realistic assessments of the strengths and weaknesses of specific rural areas and work toward collaborative strategies joining public and private sector resources into rural development networks.
- To create rural development strategies and projects tailored to the needs of individual firms, the resources of and needs of specific rural communities, and the qualities of life prized by rural residents.
- To assure that investment capital policies and practices treat rural areas with equity and do not produce unintended consequences harmful not only to rural areas but to the nation as a whole.
- To create more effective and balanced linkages between technological opportunities and the educational preparation of rural youths and adults.
- To establish national and state policies which will preserve irreplaceable agricultural farmlands as a vital national resource while encouraging multiple, well-balanced uses for less sensitive areas.
- To establish national, regional, and state priorities and action initiatives which generate realistic linkages between education, training, and rural economic development.
- To rebuild the self-confidence of rural American communities by insuring adequate social services and by creative use of the skills and energies of all rural people.
- To improve the education, training, and work opportunities for all rural special needs populations through a policy of greater inclusion of their diverse resources in the design and implementation of human resource and economic development programs.
- To develop collaborative mechanisms and processes to build coalitions of rural interests for more rational rural development.

Each of these ten proposed goals is analyzed in the full "Statement of Proposed National Goals for Rural Human Resource and Economic Development During the Decade of the Eighties" found in Appendix A.

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Rural America: The Present Realities and Future Prospects

WILLIAM P. KUVLESKY
JAMES H. COPP

THE FACT AND FANTASY OF RURAL AMERICA

Although "rural" has become increasingly difficult to define in the 1980's, it is no less real. There is a part of our society that doesn't fit the big city model. It is a world of small towns and open country. It is a world of low population density, small places, and much space. It is a world where it takes a long time to get anywhere, and when you get there, you may not see it; but there isn't rush hour traffic. It's where the costs of going shopping mean that you don't go very often, and when (in the United States) there is very little public transportation.

It is a world where you personally know most of the people you see and where you are known by the people you see. It is a world on a smaller scale that is still largely comprehensible and visible to its dwellers. It is a world of informality and custom, where the rules bend to fit the situation. It is a world where one's reputation and expectations of friends are more powerful force than the policeman and the court.

It's the world of the farmer, but with less than one in every ten people out there farming, it's really the world of the commuter. It's the world of the retired, the vacationer, and those who are trying to get away from it all. It's the world of natural resources–coal, oil, gas, minerals–and of food, fiber, lumber, and fish.

It's the world of national fantasy and the Founding Fathers' dreams of the yeoman farmer–the Minuteman at Lexington and Concord, the homesteader, the cowboy, Tom Sawyer and Huck Fin, Will Rogers, Norman Rockwell, and Andrew Wyeth. It's the city man's sandbox and the place from where the music comes. It's where we are when we are on the road. It's where they style the early American furniture and where the family farmer dwells. The air smells so clean and on a clear day you can see forever. It's the bedrock of an American Heritage to which we periodically look for redemption. As a repository of national fantasy it casts a curious spell on our attempts to comprehend it. What it ought to be makes it difficult to see it for what it is. What it has been blinds us to what it may be.

The foregoing should more than amply suggest that rural America is very difficult to grasp factually. "Rural" has eluded definition by the United States Bureau of the Census, which has traditionally defined it as all palces of less than 2500 people. Unfortunately, many such places have been overrun by great cities. Many small towns do not take on a genuine urban character until they are much larger, perhaps as much as 50,000.

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In recent years the Census has taken another tack by categorizing places of 50,000 or more population and their surrounding counties as "metropolitan." This categorization errs in the other direction. Many metropolitan counties have very rural portions. For instance, at least a fifth of the nation's farm production occurs in metropolitan counties.

As a result, we have very inexact statistical information on rural America. The rural-urban distinction tends to be fictitious and the metropolitan-nonmetropolitan differentiation tends to be much too coarse. Our inferences about the number of people involved, and who they may be, are therefore rough, but it's safe to say that rural America includes over one fourth of the population of the country who are living on ninety-eight percent of the land.

We operational define "rural America" as constituted of the society's nonmetropolitan areas considered collectively. While this is a pragmatic decision based on facilitation of issue development and impacting on political processes, it is probably not too far from the generally shared social meaning of the term. This definition or an approximate to it is receiving increasing support by scholars and others hoping to influence public policy (Sher, 1977:375; Kuvlesky, 1977:2; Hassinger, 1978:51-54; Bealer, 1981:19-25; Fratoe, 1981).

A NEW RURAL AMERICAN IN THE MAKING

Rural America, the vast array of diverse nonmetropolitan areas which cement the large metroplexes of our society together geographically and socially, is being reshaped rapidly. This complex transformation of truly great historical significance is taking place with little public notice and unbelievable lack of concern. Yet, the results and outcomes of the ecological, economic, and broad social changes that are now reshaping rural sectors of our country may well define the character of the United States for several generations to come.

A new rural America is evolving: an expanding, revitalized and increasingly diverse mixture of growing communities, industries, new institutions, and varied people. Several decades ago it was popular to speak of people living in the hinterland of America as "The People Left Behind" (Advisory Commission on Rural Poverty, 1967). Rural Americans and their communities were thought of, if they were thought of at all, as an archaic social residual of an earlier society which had already vanished. But times do change and sometimes they change dramatically. The deterioration of the economic structures and perceived quality of social life in large metropolitan centers of the United States in the past decade has stimulated a dispersal of population and economic resources throughout rural America. A new, very different rural America is being shaped and it will become increasingly important to the future of American society at large. The new trends will spawn new, complex interrelationships between the metropolitan and nonmetropolitan sectors of our society. It will be the consequences of this new configuration of relationships that will create the framework for a renewed American society during the first half of the twenty-first century. We must try to work with these changes constructively to provide a society that can offer the "good life" to all. Clearly, vast numbers of diverse Americans are seeking their dreams in new place of residence settings that represent some synthesis of our earlier notions of rural living and metropolitan existence (Kasarda, 1980:381-383). It is time we took a new, fresh look at rural America and what it is becoming.

There can be little question that future population growth, economic development, and the dominant value patterns and styles of life within our nation will be forged to some considerable extent in what are now nonmetropolitan areas of the United States. But, what is really happening out there? What are the people like? What kind of communities are evolving, and how are they relating to one another? Are they human social configurations we want and value? What alternative configurations exist or are possible? Which among these should we foster and help develop and which should we try to alter? Or, should we do nothing and wait to see what the new rural American will become without policy direction? The last question of the above list is the one we should address first. For if we choose not to attempt to rationally direct social change within the context of some presumed set of generally shared values, we will inflict on our progeny a multitude of complex and severe social problems that may well guarantee the eventual decline of our great society–one of the greatest social achievements of human history. Shall we relive in the next half century the sad experience of our metropolitan growth experience, which has reached the point where we cannot tolerate the social stench of rotting metroplexes? No! We must and can find ways to develop a reasonable and constructive general policy aimed at helping rural people and their communities build social frameworks promising a decent chance for a good, humane life for all classes and types of Americans. Harry Schwarzweller (1978:19) in his presidential address to the Rural Sociological Society describes this need well: "–it is important that we begin to formulate some kind of reasoned imagery of where the changing rural scene will lead. Positions must be established and guideposts set if we are to serve as informed advisers."

THE RURAL POPULATION: GROWTH AND DISTRIBUTION

Until very recently most people in our country, including national policy makers, had thought of rural America in negative terms: in terms of depopulation, economic stagnation, and deteriorating and dying communities. Part of this can be attributed to the tendency to confuse rural people with farmers, an occupational category that has been progressively declining for decades and which suffered a sharp, dramatic decline in the sixties. Today only a small proportion of rural people are in fact full-time, commercial farmers (Beale, 1978:37-41; Fitzsimmons, et. al., 1980:495-496). Rural people were generally stigmatized by others as "hicks" and "kickers", lacking in urban sophistication and highly provincial in their attitudes (Cosby, 1980). In fact, for several decades the notion embodied in the label of "The People Left Behind" represented the general image of rural people (Kasarda, 1980:380). And, in all too many cases it was not far from the objective reality. But, evidently rural America as a place to live still possessed positive attributes that have become increasingly attractive to metropolitan people. The decade of the seventies has produced a revolutionary trend reversing the bleak and negative images of rural America that have persisted over the recent past.

In 1974 about fifty-eight million Americans lived in nonmetropolitan counties according to Calvin Beale (1978:51). And Beale reported 1974 data indicating clearly that nonmetropolitan areas, even those not adjacent to metropolitan places, are now growing in population faster than metropolitan areas per se: a dramatic reversal of a long-standing demographic pattern. We probably have close to 60 million Americans living in nonmetropolitan areas by now. We may find it difficult to visualize many more people than this in relatively rural settings, for as Beale (1978:54) has pointed out, the larger nonmetropolitan cities are transformed into metropolitan areas with continued strong growth patterns.

Between 1970 and 1978 almost three million more people moved out of metropolitan areas than moved in and three-fourths of all nonmetropolitan counties in the United States gained population (Kasarda, 1980:380). In a very recent analysis, using 1980 United States Census data, Beale (1981) reports that for the decade of the seventies nonmetropolitan areas grew by 15.4 percent as compared with a 9.1 percent rate of growth for metropolitan areas. And this pattern of population growth was widespread, covering all regions and was most substantial in the kinds of rural places most unlike metropolitan cities -those small in size and more distant from metropolitan centers (Kasarda, 1980:380-381 and Heaton and Fuguitt, 1980).

Accompanying this turn-around of population growth in nonmetropolitan America, was a revitalization of the economic and employment structures (Price and Clay, 1980). According to a recent report by Fitzsimmons and colleagues (1980:494-495 nonmetropolitan employment growth rates exceeded metropolitan ones in eight of nine industrial categories between 1970 and 1976: surprisingly, the only exception was in reference to "farming - forestry -fisheries."

Census estimates of the 1977 United States population clearly indicate that in every major region of the United States nonmetropolitan areas grew more rapidly between 1970 and 1977 than metropolitan areas: and, that this growth rate differential by type of place of residence was of dramatic proportions in the Northeast and North Central regions (Chalmers and Greenwood, 1980:531). United States Census statistics reported by the above noted authors indicate the following regional distribution of the nonmetropolitan people in 1977: the South held more than four out of every ten nonmetropolitan residents followed by the North Central region with about 20 million, and then the Northeast (11 million) and the West (8-1/2 million). In every region there is a very substantial rural population and it is growing rapidly. At some point, however, this growth will diminish the total number of people in residence areas outside of metropolitan counties as larger nonmetropolitan areas become transformed into metropolitan ones. Consequently, it is not reasonable to presume that these statistical growth rates will climb markedly for an indefinite period. One certain outcome of this demographic pattern is that we will be spawning new metropolitan areas, which will be dispersed across the country; consequently, increasingly more rural communities and families will be feeling the pressures and influences of metropolitan complexes in close proximity to them, which should not be judged as all bad (Price and Clay, 1980). As John Kasarda (1980:382-383) has concluded, we are experiencing "an urbanization of nonmetropolitan territory" and this makes the hinterland all the more attractive to potential metropolitan migrants.

Experts writing about the region and nonmetropolitan - metropolitan shifts of growth rates in the United States population predict these patterns will continue for some time and that they will have profound impacts on both metropolitan and rural life (Price and Clay, 1980; Chalmers and Greenwood, 1980:543; Heaton and Fuguitt, 1980:520-521; Zuiches and Brown, 1978:70-72. At the same time we should not ignore the fact that a number of rural counties are not participating in this spectacular growth trend: Beale (1981) states that in 1980 a large number of nonmetro counties - 485 of them - were still experiencing declining population. These counties will require different plans for and programs of community development than others. Also, evidence exists to indicate that the number of small farms in operation is increasing, reversing another long-term pattern of the past (Harper, *et. al.*, 1980). Surely, the new rural America will be diverse - a complex mixture of varying units and groupings of people with varying dreams, ambitions, and needs. And, the dimensions of diversity among rural people outlined above are compounded by racial and ethnic variability and old and evolving social class differences. One important dimension of this diversity relates to the disproportionate rates of poverty experienced by rural people compared with others (Chadwick and Bahr, 1978; Moland and Page, 1981; Moxley, 1980). Regardless of the progress we have made over the last several decades in bringing more public services and assistance to the rural poor, and even given the optimism we are now experiencing about current trends in economic development of rural areas, poverty will continue to be a pervasive attribute of many rural areas. Let us make sure we do not forget the plight of the families trapped in a cycle of poverty.

ECOLOGICAL ISSUES OF RURAL AMERICA FOR THE 80'S

An important aspect of the quality of rural life is the rural environment with its relatively clean air and water, land availability and lower density of population settlement (Metzen, 1980). In fact, for many who live in urban areas and that are moving to rural areas these characteristics, and the social and economic conditions that result from them, such as informal interaction patterns, lower costs of living, and relatively greater safety and security, are those characteristics which attracted them to rural areas (Zuiches, 1980). Unless carefully managed, however, ecological events occurring in the next few years may markedly alter the very circumstances that have made rural areas increasingly attractive.

The rural "turnaround" that occurred in the 1970's is now widely known (Brown and Wardwell, 1980) and the results from the 1980 census clearly certify that population growth has occurred in nearly all parts of rural America (Beale, 1981). Thus many rural areas are experiencing long desired growth which will increase job opportunities and provide an expanded economic base (Barney, 1980).

However, the growth experienced may also lead to severe difficulties for rural areas as they attempt to manage it and yet maintain their quality of life. Technological change and its ecological consequences are of particular significance in this regard.

In many ways rural areas are experiencing both the advantages and disadvantages of technological development. Increases in transportation and communication technology have continued to improve their access to the consumer goods and luxuries of more urban areas of the nation. In addition, improving technology has reduced the risks for human labor in performing many of the more dangerous and repetitive agricultural tasks.

Technology, however, also affects rural areas because rural areas directly experience the labor reduction resulting from technology applications and because they are receiving many of the indirect by-products of technological growth in urban and rural society. Thus the growth in agricultural technology continues to be the major reason for the decline in the number of farms and the increase in the size of farms. Technology is leading to changes in the structure of what has historically been the backbone of rural economies–agriculture, (U. S. Department of Agriculture, 1981)–and is allowing an increasingly smaller proportion of rural Americans to be directly involved in agriculture.

Rural areas are also often seen as ideal dumping grounds for the by-products of modern technology. Rural areas are increasingly seen as the best locations for the storage of chemical and low and high level nuclear wastes. Senator Patrick Leahy has recently called attention to this unquestioned assumption and the inequities involved in it for rural residents (U. S. Committee on Agriculture, Subcommittee on Rural Development, 1980). For some rural areas, then, the increased use of technology may mean that they must bear increased societal wide responsibilities and disproportionate costs for society's technological developments. Rural areas require assistance to insure that they are treated equitably and that their quality of life is not significantly reduced as the result of attempts to expand agricultural productivity. In addition, the 1980's will witness a significant increase in the demand for rural areas nonrenewable resources, particularly coal, gas and oil, uranium, ground water and land. As with technological impacts, these demands are generated largely by urban society but their effects are experienced most directly in rural areas.

As the natioN attempts to obtain increased independence from foreign energy suppliers many rural areas will experience the impacts of energy development (Murdock and Leistritz, 1979). These impacts may result in long-desired economic and demographic growth but may also increase levels of air and water pollution, place severe strains on local services and on the fiscal bases of rural areas, and may alter the social nature of rural communities.

In a similar manner increased urban pressures are occurring on rural lands and rural water supplies necessary for irrigation, (U. S. Department of Agriculture, 1979). As these pressures increase, agricultural areas may be forced to compete for the basic substances necessary for the agricultural health of the nation.

In sum, then, the 1980's will be an era of ecological challenges for rural areas in America. In large part, rural America will be asked to provide a context where the elderly and others from urban America can pursue long-desired goals, to serve as a source of new energy supplies, to provide a place for the safe storage of the waste products of urban society and to share the land and water resources that are its most precious commodities. The challenge for rural Americans and American Society is to insure that as the effects of these ecological changes occur, rural residents are treated equitably and that the quality of rural life continues to improve.

RURAL MINORITIES IN THE UNITED STATES

Racial and ethnic variability in rural America has been largely ignored by contemporary social scientists and government policymakers and operatives. And, both the society at large and the particular rural ethnic and racial populations suffer a loss of human potential as a result. A small group of rural sociologists recently developed a book chapter designed to meliorate this situation and we relay on this piece from which to abstract a very brief overview of ethnic and racial diversity in the rural United States (Kuvlesky, *et. al.*, 1981).

The dispersion of rural and ethnic minorities in the United States tends to be regionally structured; for instance, almost all rural Blacks are located in the South, almost all rural Mexican Americans are located in the Southwest and most of the Amish reside in only three states - Ohio, Pennsylvania, and Indiana. But considering all minorities presented in the United States today, almost all regions of the country have serious problem-plagued minority group situations.

The racial and ethnic minority groups located in the non-metropolitan areas of the United States of America differ in their locations, the extent to which they are culturally homogeneous, the degree to which they are organized, in the nature and degree to which they experience pejorative treatment, and even in their shared desires for cultural and social pluralism.

Mormons have achieved a relatively high level of cultural and social assimilation and the Amish very little. Yet, each of these ethnic groups is relatively well organized, and each has achieved the order of relationships with the larger society its members generally desire. While both are the targets of negative prejudice, they do not suffer severe socio-economic disadvantages as compared with other minority groups in rural America. On the other hand, rural Blacks in the South and rural Mexican Americans in the Southwest demonstrate tremendous intragroup diversity in reference to culture, patterns of social activity, material well being, and even in their notions toward whether full assimilation is a desirable goal or not (Stanley and Kuvlesky, 1979; Kuvlesky, 1979a). Neither of these two ethnic units are internally organized to a very high degree beyond the local level and both experience low social ranking in the ethnic stratification system of our society, reflecting extremely high levels of poverty and rather extreme patterns of negative prejudices and discrimination (Durant and Knowlton, 1978).

Native Americans have generally maintained cultural pluralism as a social end, seeking at least tribal autonomy. In recent decades a social movement has united some elements of some tribes to seek common ends in relationship to state and federal governments. Still, it is all too apparent that substantial intratribal diversity in orientations toward what is best for the American Indian relative to assimilation vs. maintenance of traditional patterns and social autonomy persists. Like the rural Blacks and Mexican Americans, the rural American Indians remain relatively unorganized and suffer extreme rates of poverty, unemployment, and extreme institutionalized configuration of negative discrimination of any ethnic minority in our country.

The Southeast Asians are an evolving ethnic minority in our society. Certainly, those that have chosen to settle in rural parts of the Gulf Coast region have already found that they will face severe intergroup problems if they choose to remain in small towns there. They will persist as a relatively culturally different and socially isolated people for some time. On the other hand, the Cajuns of Southwest Louisiana are for all intents and purposes well assimilated in a social sense and far along the route of full cultural assimilation.

Policy makers, social developers, and humanists concerned with helping the rural disadvantaged should clearly understand that these rural minorities are too diverse in their nature as social groups for a singular meliorative program aimed at all to be of much good. And, the ethnic groups themselves are not well organized beyond a local community level and embrace a wide diversity of cultural and social patterns. The best programs to assist the rural minority group members will be developed at a local level first, using the members of the ethnic groups themselves to define their problems and needs and to establish ways of meeting these. At the same time the USDA should take on an explicit advocacy role for these groups as a whole to make sure their interests are represented in national policy priority setting and program developments (Kuvlesky, *et. al.*, 1981).

DIVERSITY OF VALUES AND ASPIRATIONS

Value orientations of rural people are often stereotyped in the perceptions of others, including scholars, as being relatively traditional and very considerative in social, political, and moral considerations (Coughenour and Busch, 1978:219-225; Christenson, 1981:45). In fact, much recent evidence exists to indicate that the aspirations and values of rural people in general are as pluralistic as, and not very different from, those of metropolitan people in the same region, ethnicity and social class (Helmick, 1980:62; Kuvlesky, 1977:7-15). And a number of researchers have concluded that whatever patterned differences do exist between rural and urban people in the United States are declining over time (Willits, *et. al.*, 1973; Kuvlesky, 1977). What is more important, the value patterns and life ends of Americans are not homogeneously patterned in tight, close-knit ideological bundles by any type of place of residence distinction (Larson, 1978:106-112). Different patterned sets of values exist within a locality setting, an ethnic subcommunity existing within it, and even sometimes among members of a given family (Kuvlesky, 1977:5-7). Ethnicity, age, occupation, and personal religious faith probably have more to do with value differences in general than type or location of residence area. A very recent study of values of metropolitan and nonmetropolitan parents and youth involving 15 states in the Midwest and Southwest indicate no patterned differences by place of residence of any significance; however patterned differences were found between Mexican Americans and Anglos regardless of place of residence location (Helmick, 1980:62): one tends to find similar value pluralism in rural communities as is found in metropolitan centers.

There are, no doubt, general values that are shared among most rural people in the United States; however, these may also be broadly shared with many if not most metropolitan residents as well (Larson, 1978:111; Coughenour and Busch, 1978:225-228; Helmick, 1980:62). And evidence exists to indicate that even among very homogeneous local populations rural people do maintain simultaneously values that can be judged as ultra "conservative" and also those that can be judged to be extremely "liberal." Findings illustrating this from a very recent survey of Mexican American adults residing in a small, nonmetropolitan county in South Texas are provided in Table 1 (Ballard and Kuvlesky, 1981). Note that large proportions of these Mexican Americans residing in the same small county simultaneously support some "conservative" values and some "liberal" ones: for instance, most support the work ethic and strong police action and at the same time many support federal intervention in local affairs and legalization of marijuana.

It is quite clear that an important dimension of valuation closely liked to place of residence preferences of Americans today has to do with feelings about interracial and intergroup contact: desires to have, or not have, intergroup contacts are very important considerations. Rural racial and ethnic group members vary markedly in this regard even within local community settings. Certainly, it can be assumed that whites or "Anglos" vary in this regard as well. But, in small places in the United States today where significant racial or ethnic variability exists, it is more difficult to produce broad, inclusive segregation patterns than it is in metropolitan areas. Consequently, modes of intergroup adaptation and adjustment must be worked out continuously. That is not to say that we do not have segregated patterns in rural places, for obviously we do, but that it can not be maintained across all contexts of social activity. On the other hand, such inclusive, group-specific segregation has long been a characteristic pattern of metropolitan America, and is becoming increasingly more rigid with time. Consequently, if one values total segregation of groups it is easier to realize this value in large city than in a small place, having ethnic-racial diversity.

Even given the variability in values of rural people, patterned intergroup problems can be expected between natives of a given location and the newcomers flowing in as a result of the metropolitan out-migration trend. However, these will more likely stem from reciprocal negative prejudices and clashing vested interests rooted in economic considerations, social class differences, and the attempts of the newcomers to break into long established power arrangements regulating political processes and public services than they will be due to vast differences in general value configurations. At the same time, one should expect an influx of metro immigrants to add to and extend the value pluralism and diversity of social interests, political attitudes, and consumer preferences existing within any given community setting.

America, rural and urban, is generally a pluralistic society. Consequently one can expect the population of almost any community to demonstrate variable values. Obviously this variability carries the potential for stress and conflict, particularly if some people feel that others are attempting to block the realization of their personal values. At the same time, it is this variability, and the respect for it, that signifies social freedom; it evidences the fact that we are a

Obviously, another important source of diversity in values of rural people rests in the very motives of the people for residing in these communities. Farmers will live in these communities because it is an occupational requirement or expediency to do so: and, they are clearly different from other rural dwellers in their values - more conservative in every sense (Larson, 1978:107-111). Many others live in small towns and cities, or around them, because they enjoy the slower place of life, the sense of more physical freedom and more space, the fuller range of social contacts possible, etc. These people may or may not meet their employment needs in their residence communities. If they don't, they probably are not going to be "growth " while those who depend on the community for their employment and incomes will be.

Increasingly, more rural residents are also metropolitan residents, dividing their time between households seasonally, monthly, or even daily. These residents will be from the upper classes and they will have an interest in conserving the "rural character" of their neighborhoods in the rural areas. And, they are not likely to get too involved in local politics and voluntary associations. Their interests in rural America are as consumers of the rural setting.

Also, increasingly we find the metropolitan elderly being attracted to rural settings - escaping the dangers and strife of the metroplexes. They are going to value, highly, medical and health services, protective services, and social stability. On the whole they are not going to be progressive relative to needs of youth and education or much interested in growth development.

And, dispersed throughout the United States we will find small communal groups seeking nothing but the freedom to live a different life style: relative geographic isolation and less than rigorous police scrutiny reduces the problems in doing this in a rural area. Many of these may support "counter-culture" tendencies at odds with the values and the norms of the surrounding communities. But, they will still have to seek employment in these places and they will depend on them for many services.

In summary, rural America is culturally pluralistic in a host of ways. Aside from patterned regional variations, often linked to ethnicity and social class, incredible variation exists in the value configurations present in any local area, even those that are small. Diversity is the general tendency not homogeneity (Larson, 1978:111-112).

THE CHANGING PRESENT

What do we know of what is happening to rural America? Quite a bit. We know it is becoming more and more attractive as a locational setting for ever increasing numbers of families and businesses and industries. We know it is occupationally diverse, and that farmers and farm families constitute only a small and decreasing proportion of the total nonmetropolitan population. We also know that the urban to rural "reverse migration" patterns are fed by different motives to produce a better life and will contribute to further diversification of the occupational structures, increase employment opportunities, and add new dimensions of diversity to the styles of life, value systems, and interests and activities among nonmetropolitan residents. Within this increased diversity rests the potential for a new vitality and, of course, potentials for new social stresses and even conflicts (Price and Clay, 1980:604-605). Demands for new and expanded services will increase and overburden already strained local taxing capabilities. And, in the end many new, small metropolitan areas will be spawned from the realization of these potentials stimulating continued growth: the Lower Rio Grande Valley of Texas examined over the past three decades offers a clear, recent example of this process (Miller and Maril, 1979).

On the other hand, we also know that many small rural communities have had their identity stripped and their social fabric ripped apart by the pervasive movement toward consolidation of services - churches, retail outlets, protective services and, most importantly, schools - under the guise of "economic efficiency" and "improved quality." More than a fourth of all nonmetropolitan counties still face this set of problems associated with depopulation. These rural areas and communities face different development needs and they will require different policies and programs to meet their needs. They should not be forgotten!

We know that the disadvantaged racial and ethnic minorities living in the rural sector of our society are among the most economically and socially deprived groups in our society. And, we know that problems of intergroup prejudices and negative discrimination patterned by region and locality impede the ability of these people to break the bonds of the "cycle of poverty.

We know that at present many rural communities are becoming dumping grounds for metropolitan wastes and that many rural people - old and new residents - are becoming actively agitated by this and are taking forceful political actions to combat this pattern. The time when metropolitan based interests could do what they would with property they owned in rural areas is fast fading into the past. New cooperative arrangements, sensitized to the needs and desires of rural dwellers are evolving. Increasing energy costs threaten the new vitality of urbanizing and agriculturally based sectors of rural America: this threat must be faced and resolved.

We know that the types of people - their styles of life, their basic values and cherished hopes, and their perceived needs - are very diverse in rural America. Built into this diversity is a continuing potential for clashing interests, factioning, and intergroup conflict.

It is impossible to describe rural America in simple generalized terms, other than to say it is extremely diverse in its communities and its people. Thus, any reasonable program for rural development in the United States will have to be flexible enough to allow this diversity to be considered.

The sad plight of rural youth living in disadvantaged rural areas, particularly minority youth, should at least be mentioned here. They value attainment of the same kinds of life goals as other youth in the United States; however, they exist in settings that will hinder their achievement of these high aspirations (Kuvlesky, 1979a&b and 1980). Again, both their life ends and the impediments they face in accomplishing these vary. Without outside assistance (i.e., professional expertise, programs, and funding) local rural communities will not be able to provide for their special developmental needs.

IMAGES OF THE FUTURE

There is little doubt that a new rural America is evolving. What it will become depends to a large extent on whether or not we can reach some consensus on what we want it to be or not: and, if we can, whether or not we will develop a national policy to further our ideals in this regard. Clearly, from what we know we can draw some fairly clear alternatives of what the possible, even probable, future states of Rural America might be: several social scientists have already made a start in this direction (Coughenour and Busch, 1978:211-228; Bertrand, 1978:75-88; Wilkinson, 1978:115-125; Wardwell and Gilchrist, 1980:567-580; Kasarda, 1980:389-397). Our past and present tendency to "let nature take its course" - to react to patterns of change rather than to try and shape these - produces continuous strings of problems at all levels of social organization of society, contributes to the spawning of intergroup conflicts and institutional disruptions within rural areas, and wastes economic resources and human potentials in vast amounts. We must develop a national rural development policy that serves the long-run needs of both rural and metropolitan people and the larger interests of the nation. Such a policy will require broad public support and aggressive well organized advocates. What possible models for development are reasonable? Which among these is the most desirable?

One possible alternative is based in the beliefs and values of a "traditional rural" ideology - a rural romanticism that emphasizes small scale, full local autonomy, and the amenities of country and small town life (Sher, 1977: Chapters 3 and 7). In our judgement, such a model, while ideologically attractive in some respects, is an unrealizable dream (Wilkinson, 1978:124-125). It can not represent a general pattern for rural development; although it may well be achieved in particular settings to some small extent as the Amish have clearly demonstrated.

Even though ideologically we might prefer to argue for local autonomy and the right of self-determination for rural communities, we would be foolish to presume that rural communities and nonmetropolitan areas can persist independent of the influences of metropolitan activities and larger public needs. Even in the smaller and less densely populated rural towns, the institutional components, and even the families inhabiting these places, are tied into many larger arenas of social action and other outside social organizations in literally hundreds of ways. More often than not this tendency will continue as a dominant pattern of future change as time goes on. Even the Amish in their tightly bounded local communities are voluntarily accepting this truth of modern American society and adapting to it (Kuvlesky, *et. al.*, 1981). To a large extent, the hinderland of America will develop and evolve in relation to meeting the needs of the larger metropolitan population and institutionalized configurations serving the broad public, rather than solely in terms of serving in some kind of simplistic sense its own locally determined needs. We believe this is a fact of historical development that can not be altered generally.

Another possibility - the polar extreme of the "traditional rural" - is to visualize rural America as simply an auxilliary, servicing sector for the predominant metropolitan core of our society. To see it as a source of basic resources to be consumed by metropolitan peoples, as an area of service facilities for leisure and recreation, and as a dumping ground for the "wastes" of metropolitan living - nuclear waste, garbage, criminals, and the elderly. Such a model would presume a need for rural development policies to reflect ways of better serving metropolitan needs and helping to reverse metropolitan decline (Kasarda, 1980:389-397). This is clearly not only a possible scenario, but a very probable one. It is likely to be the closest picture of the eventual future of rural America if we do nothing at all to direct social changes presently taking place (Wilkinson, 1978:123-125).

Several other possibilities lying somewhere between these two extreme scenarios have recently been sketched by Coughenour and Busch (1978): they have labeled these alternatives "Modernized Rurality" and "A Telic Society." Their notion of "Modernized Rurality" is a realistic modification of the extreme "traditional rural" picture drawn above. It assumes a relative homogeneity of rural values, local control and relative autonomy, and collaborative associations with rural-oriented agencies of technical and professional expertise (i.e., Agricultural Extension Service, etc.). This is the kind of model, in fact, that guides much of what does pass for rural development policy today. It is the intellectual plan implicitly behind the programs and activities spawned by USDA units and their state counterparts in the land-grant colleges. While not as improbable as the more extreme "traditional rural" model, it lacks relevance because rural America has, in general, already changed beyond this point. Rural people are already more similar than different from urban people in their values and aspirations and rural communities are already linked intimately along a number of dimensions of social organization with metropolitan - centered decision making units and activities. Perhaps for some communities, this is a reasonable model - those that are relatively isolated and still rely mostly on production agriculture or mining for an economic base. However, most communities will not be able to escape the increasing urbanization of life and complexity of ties with other communities, including metropolitan ones. In fact, some social scientists have argued it is these very tendencies that stimulated the "rural - urban turn around" in migration.

The "telic society" scenario is an ideologically extreme pattern based on valuing social change, diversity, and local self-determination. We love it& Yet, outside of isolated communal settings we think it will not be approximated.

In all probability, our society will remain open enough to permit the flexibility required to allow for the development or maintenance of some communities along the lines of the scenarios drawn above. However, none of them, except the "metropolitan appendage" type is realistically possible as a prevailing general pattern of organization around which to forge a national policy. Furthermore, the "metropolitan appendage" is not attractive to most people having a strong vested interest in rural America.

What is left? A flexible model that recognizes the reality and the desirability of diversity among and within rural communities. And, one that faces up to the hard facts of life that metropolitan and nonmetropolitan sectors of the society are intimately intertwined. One that recognizes the need for rural communities to creatively mix local initiative, private entrepreneurship, and governmental facilitation and resource support to build new institutions, better public services, and greater opportunities for a better quality of life for more people. A reasonable policy for achieving this has recently been described by Swanson, *et. al.*, in their book, *Small Town and Small Towners: A Framework for Survival and Growth*. Also, other sections of this book will address specific strategies aimed at achieving these ends.

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2

Nature, Types and Scale of Rural Development

FRANCES HILL

Rural development is an elusive phrase. Proponents and opponents have debated "rural development" passionately. The phrase, perhaps even more than the reality, has become the focal point of hopes and fears, of optimistic predictions of a better life for rural Americans and of pessimistic predictions of continued poverty and marginality.

These debates have not clarified the issues. In part, this results from the very complexity of the matters involved in rural development. In part, it results from very limited and sometimes misdirected research efforts. In part, it results from the failure to specify and differentiate possible component meanings of the concept of rural development. This paper can note the research lacunae but it cannot remedy them. It can, however, help clarify some of the issues associated with rural development in an attempt to foster a more focused debate. People inadvertently discussing different concepts of rural development are unlikely to contribute to the development of workable policy options.

The most common interchange of terms and the source of the most pervasive ambiguity is the relation between rural development and rural industrialization. The old idea that industrialization is synonymous with development has given way to uncertainty over the relationship between the two. There is now a vigorous debate over what types of industries located in what types of areas bring what types of benefits and impose what kinds of costs both to communities and to various groups within these communities.[1] This is a new debate that has only begun to legitimate the inquiry. No systematic development of a model of such processes and no systematic data-gathering exercises have yet been undertaken.

A second debate deals with the distribution of benefits and costs associated with any development strategy. One dimension of this debate is the relation between community vitality and individual well-being. In some senses, this is but a special case of the larger debate now central to much policy analysis–the relation between helping groups and helping individuals. Too often this question is debated as though there were adequate data and clear insights into the ramifications of the issue. A more useful approach is to begin with the question of what are the indicators of community vitality and individual well-being. Not only is there no agreement on what such indicators might be but there is also a pervasive lack of data relevant to the discussion. Nevertheless, the issue of community benefits in relation to individual and family benefits is one that is likely to receive increasing attention.

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A third debate deals with the distribution of costs and benefits among sectors of the population. Who lives in rural areas? How do the various groups of rural Americans share in the costs and benefits of various development strategies? The descriptive challenge has by no means been met. Data remain fragmented and inconclusive. Little is known about the specific impacts on young and old, families and individuals, the more and less educated, the long-time residents and the more recent arrivals, the farm and non-farm sectors, working people and retirees, part-time workers and fulltime workers, men and women, the Anglo and minority populations. This list could be extended. The possible combinations of populations potentially affected differently by particular rural development strategies seems virtually endless.

A fourth debate centers on the urban causes and consequences of rural development. While it is generally admitted that many urban problems are the consequence of previous rural problems that have been relocated through urban in-migration, there is no agreement on solutions. Some observers still feel that migration is the best solution to rural poverty. At the individual level, the youth and educated seem rational in moving rather than in hoping that a development strategy will work--or even be attempted--in their area. However, many residents of rural America either do not want to relocate or would have no greater opportunities in a different setting. The urban and national stakes in rural development are coming to be recognized. But, this recognition has yet to produce clarity, much less agreement, on strategies for designing public sector policies and private sector strategies based on these common interests.

A fifth debate is beginning to emerge about the possibility of developing a common national strategy for rural development. Concern is now manifest over competitive bidding for industries among states and communities. To what extent is this occurring? To what extent does such competitive bidding simply illustrate market action that produces the best combinations of factors conducive to economic growth in a competitive economy? To what extent does such competition increase the costs and reduce the benefits for communities or for sectors of the rural population? What are the alternatives to this process of competitive bidding?

A sixth debate centers on the relation between incentives to location of a firm in a community and subsequent economic development. While this debate is enmeshed in the preceeding set of issues surrounding competitive bidding, the debate over incentives and subsequent development would remain even without the inter-state and inter-community competition. To the extent that communities provide facilities and tax breaks as incentives to location, someone other than the new industry will have to pay the costs. Do these people benefit from industrialization? Do they feel that they are financing development or simply assuming costs that should be part of the operating expenses of firms in the private sector? What is the proper role of citizens and their institutions and what is the appropriate role of the private investor?

Even among those who endorse some governmental role in rural development, there is a seventh debate over the appropriate governmental units to provide incentives and bear costs. The appropriate roles of the federal, state and local governments are matters of debate. This is a murkey debate, partly because there is no clear picture of the roles that these various governments are currently playing, much less any clear understanding of the consequences of various types of interventions by these governments. Indeed, a complete listing of the types of local governments and quasi-governmental agencies involved in rural development is yet to be compiled.

These debates over rural development should not obscure a high level of agreement on the goals of rural development. This agreement is, not surprisingly, strongest at the level of broad societal goals. Few people would disagree with the desirability of balanced rural-urban development that would alleviate rural poverty, stem urban in-migration (especially the in-migration of a poorly-educated, low-skill, welfare population), strengthen rural communities, and contribute to national economic prosperity and social vitality. Debates emerge over the means to achieve these generally desirable outcomes, not over the outcomes themselves.

Concern with these multiple goals of rural development is not the basis for a "romantic rusticity" that seeks to preserve rural America as a museum of small communities that can offer their residents few of the benefits enjoyed by Americans in other communities. Such romanticism is rarely espoused by rural Americans themselves. It is much more commonly endorsed by urban-bred and urban-based activists who have never lived in a small rural community. The poetically invoked virtues of small communities can just as easily be balanced by the isolation, lack of individual choice, and lack of individual opportunities in such communities. Villages are lovely for weekends, but not for lifetimes. Any rural development strategy that degenerates into museum work is unlikely to find support among rural Americans.

QUESTIONS OF SCALE IN RURAL DEVELOPMENT

Questions of scale pervade the other debates discussed in the introduction to this paper. But, scale has not yet become the focus of a distinct debate over rural development. Questions of scale are questions of threshholds. Even those who believe that small is beautiful may agree that too small is not beautiful. Identification of these threshholds has not yet begun. Yet, individuals and businesses make de facto decisions about scale when they decide to locate in particular areas. The bases of these decisions remain largely unresearched.

Questions of scale include questions of the size of communities and the size of enterprises, their relationship and the relationship of each to individual well-being. Viewed in this perspective, questions of scale are, in effect, questions of the process of fostering rural development and the consequences of particular development strategies.

Questions of scale are not static. They are dynamic questions about sequences and threshholds in developmental processes. This means that questions of scale are linked to a study of causal patterns in fostering rural development. Under what conditions do large enterprises create opportunities for smaller enterprises in a community? What types of small enterprises are most likely to be supported by a large enterprise in a rural community? Will the workers in particular types of large enterprises be more or less likely to do business with local retail establishments rather than with the stores of the nearest city? These are central questions in any causal analysis of rural development. Unfortunately, there has been virtually no research on these causal patterns and developmental sequences. Any generalizations would be worse than premature--they would be unfounded.

The lack of information on these fundamental questions of scale has multiple causes. It was initially assumed that any economic activity would automatically stimulate further economic activity. This view rested implicitly on an assumption that communities were self-contained and that neither businesses nor individual consumers would look outside the community in their economic activity. This has proved to be an unfounded assumption. Many of the managers and skilled workers do not come from the community and prefer to spend their salaries on goods more readily available in cities. The consumption patterns of businesses also seem oriented to urban markets, but, again, data are limited. These tentative findings have caused increased concern about the problem of "capital leakage" from rural communities. However, it is not always easy to determine what constitutes capital leakage. Indeed, it is by no means clear what constitutes an economic community as opposed to a political jurisdiction. An economic community or market area could include a county or a multi-county area rather than simply a "town." These distinctions have rarely been made in discussions of rural development.

A second reason for the lack of insight on matters of scale is the nature of research efforts to date. There is a general lack of data on the developmental experiences of real communities. Scholars have relied unduly and often inappropriately on census data. These national aggregate data can offer little insight into questions of scale regarded as questions of developmental sequences and threshholds. Even if these national aggregate data were far more comprehensive and precise than they are, they would be inappropriate for an investigation of actual developmental sequences. Since these data have not been collected over time in a manner that would permit comparison, scholars have tended to substitute comparative cross-sectional studies for actual longitudinal studies. This is precisely the wrong approach since it depends on assumptions about the very topic at issue–the temporal sequences of change and the causal patterns of these temporal sequences.

These same problems affect the few community case studies that have been done. Data are collected at one period of time but not over time. These case studies are often done by single researchers or small teams with neither the time nor the resources to continue the investigations over a number of years. All the problems of comparing case studies affect attempts to make generalizations about rural development on the basis of the few case studies that have been done. Even when the individual case studies are well-done, they have limited generalizability unless they are part of a number of studies designed to be compared.

It is understandable that scholars and policy makers should both be eager to generate insights into rural development without waiting for a variety of communities to live out their complete developmental sequences. However, it would be possible to compensate for the lack of historical aggregate data by doing a series of case studies that include historical economic anthropology. Such case studies would be a cost effective research method compared to the cost of national survey research or the collection of national aggregate data. The barrier has not been cost but in understanding what types of data are required and in determining what questions are central to an understanding of rural development.

It is curious that there has been so little concern with the questions of scale in manufacturing and service enterprises since there has been so much interest in questions of scale of agricultural enterprises and the relation between farm size and community vitality. Walter Goldschmitt's classic study has been the object of controversy but not of neglect.[2] Follow-up studies have supported Goldschmitt's initial findings–diversity in the scale of farms, with an emphasis on medium-sized commercial farms, sustains communities with a broad range of businesses and social services.[3] No similar study has been done for the non-farm sectors of rural economies. There has been some concern with one-enterprise "company towns" but this has been a matter more of monopoly than of scale.

Similarly, there has been virtually no research on the relation between agricultural enterprises and industrial enterprises.[4] Does the presence of one or more large enterprises have any impact on the model scale of agricultural enterprises? No one knows. Yet, it seems unlikely that the agricultural and industrial sectors of local economies would not affect each other. In some areas of west Texas, there have been local controversies pitting large plants seeking to move into an area against farmers and ranchers who see industries, especially large industries, as a strain on local water supplies. Competition over resources and controversies over relative tax levels and relative benefits from tax monies seem fruitful areas for future research.

There is no substitute for research on these matters. The analogy between agriculture and industry is imperfect at best. No one has any basis sperfor guessing whether the Goldschmitt findings on the relation between agricultural scale and community vitality would also prove valid for the relation between industrial scale and community vitality.

Some discussion, and a far more limited amount of research, has dealt with the size of community most conducive to business vitality.[5] The debate over "growth centers" has occurred with reference to rural America as well as with reference to policies for regionally balanced growth in several of the developing nations. These discussions have produced little consensus on the question of the scale of community required to attract and sustain particular types of industries. Growth center theory has been inexplicably devoid of concern with developmental sequences and has tended to treat development in a fairly static manner. The patterns of growth in the growth centers themselves has attracted little attention, perhaps because growth center theory has remained largely hypothetical, an exercise of those planning for the future rather than research on previous changes.

The critique of growth center theory has centered on the introduction of political considerations rather than economic planning criteria. Using the experiences of the Appalachian Regional Commission, Hansen is the foremost student of the impact of political factors on growth center plans.[6] Hansen criticized the Commission for identifying too many potential growth centers and for basing these designations primarily on political criteria. He does not address the issues of scale as directly as he addresses issues of the dispersion of effort.

A second set of questions centers on the impact of growth centers on the surrounding area. Does development actually spread from the growth center to a surrounding area? This is especially important in rural areas where the difference between a community and the surrounding area is less dramatic than the difference between a city and its rural hinterland. Current data do not permit one to distinguish various types of growth centers' impact on their surrounding areas. However, concern is now growing that intensified relative underdevelopment is as likely in the surrounding area as is enhanced development.

The growth center debate raises the larger question of the definition of a "community" for development purposes. No one would suggest that every community now existing in rural America can or should be the object of public sector or private sector efforts to stimulate growth. The private sector has shown no interest in such a criterion for investment decisions. The burden on the public sector--whether federal, state, or local--would be prohibitive. Stated most badly, these are questions of which communities should live and which communities should die and whether this should be a matter, at least to some extent, of citizen preference expressed through public policy or whether it should be a matter of market forces. These are not the kinds of questions that officials wish to consider directly--or at least which they wish to admit that they are considering. Even if market forces remain predominate, more careful consideration of the issues of scale would help clarify deliberations in both the public and private sectors.

ASPECTS OF RURAL POVERTY

Poor people are not a distinctive feature of rural America. However, the poor in rural America tend to differ from the poor in urban America in ways that should have an impact on policies designed to deal with poverty in these two different contexts.

Underemployment, not unemployment, is the greatest problem in rural America. The rural poor tend to be a working poor. At least 25% of the poor families in rural America have one member working for the entire year.[7] Poor rural Americans have demonstrated their willingness to work and their ability to hold jobs. The problem is that they cannot earn enough to support themselves and their families by their work.

Not only do most poor rural Americans work but a large proportion of them hold more than one job. They may hold two or more part time jobs simultaneously or they may hold several season jobs throughout the year. Such industries as agriculture, construction, and mining tend to be seasonal.

Self-employment is more common in rural America than in urban America. This is true even if one excludes agriculture from the comparison. Almost 10% of the rural labor force is self-employed outside of agriculture. If one includes agriculture, then 17% of the rural labor force is self-employed, with 11% of these relying exclusively on self-employment.[8]

The poor in rural America tend to live in families with both parents present. Almost 70% of the poor families in rural America are headed by males.[9] Partly as a consequence, only 25% of poor families in rural America receive assistance from Aid to Families with Dependent Children.[10] Only 20% of the rural poor but 33% of the urban poor receive public assistance.[11] These statistics reflect the combined effects of family efforts and state policies. Many of the Southern states with large populations of rural poor have low levels of social services. Nationally, Social Security is the largest government program in rural America. Families survive, although they do not overcome poverty, by working. Thirty percent of the poor families in rural America have two or more persons working.[12]

Because they work, many poor persons in rural America cannot qualify for public assistance. Such programs require that a person be unemployed himself or herself and that he or she not be living in a family in which at least one member is employed. These eligibility criteria neglect the problems of the persistently poor sub-employed. Sub-employed has not been estimated to be 50% higher in rural than in urban America.[13]

Perhaps most paradoxical of all, the rural poor tend to be a property-owning population. The idea of "poor" property owners strikes most Americans as incongruous. Resolving the paradox requires distinguishing between net work and net income. Owning--or holding some equity in--a small or marginal farm does not give a person the kind of net worth position that can be leveraged into expanded assets. Marginal farms or small plots owned as home sites do not so much increase a person's assets as limit a person's mobility. The ownership of such property does not raise a person or family above the poverty level. Many small farmers work off their farms or their wives hold off-farm jobs to support the farm. In many of these situations, it is necessary to work to protect what little equity one has in property. Instead of net worth enhancing net income, net income is used to protect net worth. This limited mobility means that the rural poor cannot and will not travel great distances in search of employment. They will stay near their farms or homesites even if it means a less desirable job at a less desirable wage.

The limited mobility of the rural labor force is determined not simply by property ownership but also by several characteristics of many individuals in this labor force. Rural Americans tend to have less formal education than do urban Americans.[14] Education levels vary within the rural population. These variations are fairly complex. For example, among farmers, women tend to have more education than men. But, among the nonfarm rural population men tend to have more education than women. Region and race add further complexities to the picture. In general, one can say that the rural labor force is not highly educated but it is not uneducated. The problem is not so much functional illiteracy, as it may be among the urban hard core unemployed, but low levels of education and lack of any specific skills. These limited education levels make it more difficult for rural workers to adapt to different types of work or to advance beyond an entry-level position once they do find jobs.

Race and region also affect the opportunities available to rural workers.[15] Unemployment is highest among blacks in the Deep South. Black men have a higher unemployment rate than do black women. Women, white and black, are sought as workers in the service sector and in nondurable manufacturing. The reasons for employers' preference for women workers in the unskilled and semiskilled jobs in rural industries have not been fully explored. This preference does not hold in the West and in those parts of Appalachia where mining is the primary occupation.

Although there are many exceptions, one can suggest that rural poverty results from underemployment rather than primarily from unemployment. Rural workers have job experience in unskilled or semi-skilled jobs. They have little experience with unionization or with other forms of organization to assert or protect their rights. Similarly, rural workers experiencing temporary or periodic unemployment are less likely than their urban counterparts to receive public assistance.

It is not clear that these characteristics of the rural poor are recognized and understood by those who are planning rural development programs. Drawing on urban analogies may be especially inappropriate for those who develop and implement vocational education programs for rural workers. To the extent that programs are designed to solve problems of unemployment they will be largely irrelevant to the rural labor force. However, programs that address issues of underemployment tend to become extremely controversial within local labor markets, especially when these labor markets are controlled by one major employer. Programs that seek to enhance the mobility and thereby the economic bargaining power of rural workers are bound to arouse the opposition of employers who benefit from their workers' lack of alternatives. Addressing the problems of those who remain poor even while they and their families work is generally a politically controversial undertaking. Politicians can be expected to become involved in such controversies only if they understand that poverty has more complex causes that a disinclination to work and if they see that simply holding a job may not raise a person or a family above the poverty level. Work is not an end in itself but a means of achieving a better life for oneself and one's family.

The issue of underemployment has scarcely been addressed. The crucial question is whether underemployment is essential to maintain the kinds of firms that locate in rural America. Do rural Americans have a choice only between no jobs or jobs that do not help them overcome poverty? Do rural Americans have only the alternatives of being the unemployed poor or the working poor? Asking these questions means asking fundamental questions about American industries and whether the kinds of industries that are most common in rural America are actually competing with the wage rates of the developing nations, where nondurable manufacturing plants are being established in ever-increasing numbers. There are no answers to such questions given the present state of knowledge. Such questions are only beginning to be asked as observers begin to explore the differences between rural and urban poverty.

POVERTY AND RURAL COMMUNITIES

Rural communities are also characterized by distinctive features linked with poverty. Some of these features are causes of poverty, some are consequences, and some are both since poverty tends to be reinforcing and self-perpetuating. Individual poverty exists in a particular institutional context which is both a cause and consequence of poverty.

Rural communities tend to differ among themselves in almost every dimension. Even if "rural" communities are restricted to those with populations of 2,500 or less, the range of diversity is almost overwhelming for analysts and planners. Yet, rural communities do share some common features that relate to rural development and the relationship between rural development strategies and rural poverty.

Rural communities tend to have part time governments with little experience with the process of benefitting from federal or state programs designed to address their problems. "Grantsmanship" tends to be an urban skill. Some observers suggest that rural people are inherently more self-reliant and therefore that their lower incidence of aid from federal or state sources reflects rural preferences rather than rural disabilities. There is no conclusive evidence on this issue. What is evident is that rural America has received significantly less from public programs on a per capita basis than has urban America. The inherent difficulties of political culture analysis--determining whether people receive less from their governments because their culture conditions them to seek and desire less--is beyond the scope of this paper. Political culture remains an unexplored dimension of social science. In the current state of the art, political culture assertions can be and are used to justify whatever currently exists by those who current benefit from a given set of conditions.

The institutional characteristics of local governments offer a more researchable field of inquiry than does "rural culture." Throughout our national history Americans have held paradoxically ambivalent attitudes toward local governments--valuing small governmental units in the abstract but disparaging them in their concrete operations. Most studies of local governments point to their limited capacities to plan and implement programs. In addition, many of these local governments in rural areas as well as in cities have been notably corrupt. At the very least, local governments tend to be controlled by a very small sector of the population. During the 1960s romantic invocations of the virtues of local control became a staple of counter-cultural politics. Despite the 1960s rhetorical invocation of local governments, little research has been done on their operations. Academic political scientists have virtually abandoned concern with local governments and pay only fleeting attention to state governments.

Contemporary interest in local governments arises not among academics but among those who have attempted to plan and implement programs with local governments. These analysts and planners have become concerned with what is now called "capacity building."[16] This means the capacity to plan and implement local undertakings and to coordinate efforts with other local governments, with state agencies, and with federal agencies. Representing the interests of local people depends on local governments' capacities to interact with other public and private sector actors involved in economic development.

The concern with capacity building will continue regardless of the precise nature of American federalism. Giving more power to local governments will have little impact unless those local governments have the capacity to capitalize on the new opportunities. The effect of block grants remains a matter of speculation. Undoubtedly, the effects will vary greatly among local governments. There is a distinct possibility that block grants may exacerbate the consequences of the limited planning, implementation, and interaction capacities of local governments. Block grants can, then, decrease federal control of resources and federal direction of programs without at the same time increasing local control of resources and direction of programs.

Even if local governments achieve enhanced institutional capacity, the consequences for individual well-being in the local area are not immediately clear. All government involves trade-offs between accountability to community mores and the skills required to serve community needs. This is the challenge of political leadership. This challenge and the trade-offs it involves become more complex as the decisions to be made about community affairs come to require more specialized technical knowledge. This is unavoidable. Local governments cannot serve their people by ignoring fundamental trends in the larger society. An attempt to preserve local governments from the modern world simply excludes local officials from any meaningful role in the decision-making process. Decisions will be made by state or federal officials or by actors in the private sector. It is difficult to conclude that it is more democratic for local officials to lose influence to state officials than to federal officials. A healthy federal republic and sound public programs require that local governments play an effective role. Block grants cannot in themselves ensure that effectiveness.

Local governments may well come to deal directly with private sector actors to a greater extent than they do now. Block grants that actually make more funds available to local governments may intensify this trend. The extent of current cooperation between local governments and businesses seeking to locate in an area remains largely undocumented.

Building the capacities of local governments is not an end in itself. The purpose of any governmental action in a democracy is to serve the interests of citizens. This is always a political matter--and it is quite properly a political matter. Changes in the operation of the federal system shape the distribution of advantage in that system. Some sectors of the population will pursue their interests more successfully when the state governments play an expanded role, while other sectors of the population will look to the federal government for relative advantage. It should hardly be surprising that procedural questions are intimately related to questions about the pursuit of goals. If this were not the case, procedural questions would hardly be worth discussing.

EXPERIENCES WITH RURAL DEVELOPMENT

Comments on experiences with rural development are unavoidably a series of snapshots rather than a moving picture. To date, neither scholars nor practitioners have collected longitudinal data nor conducted a series of case studies based on systematic comparisons. Indeed, it is impossible to determine whether the data that have been collected constitute a reasonably representative, if not a statistically random, sample of experiences with rural development. No one has ever catalogued those experiences, so one does not even know what universe of experiences one might be sampling. With such indeterminacy in the data, it is impossible even to describe experiences much less to develop or test hypotheses about the process of economic growth in rural areas.

Of course, observers generally bemoan the state of the data and call for efforts to rectify the problems. However, data collection on a grand scale may be premature. There is as yet no model of rural development, no agreement on what one would wish to know should one be able to collect more data. The criteria by which rural development is to be evaluated remain to be specified. This is one of the reasons that debates over rural development can be so passionate without being enlightening. Of course, data collection and model building are synergistic enterprises. No one would suggest that no further data should be collected until a general model of rural economic growth had been developed. Similarly, no one would reasonably suggest that data collection is a substitute for conceptualization.

This paper cannot provide new data. It similarly does not propose a general model of rural development. However, it is useful to think of three criteria of successful rural development--individual betterment, community vitality, and national economic revitalization. Most people would probably agree that all three are desirable. Disagreements arise over priorities. Pursuit of one goal is not neutral with respect to the goals assigned second and third priority. In some instances, choice of one goal impedes progress on another goal. It is not clear whether or in what manner individual betterment links with community vitality and the two link with national economic revitalization. The current data permit no definite answers.

Having made a distinction among three broad goals of rural development, the next step is to ask what role rural industrialization has played in the pursuit of each of these goals.

The most startling and potentially disquieting finding is that the increased economic well-being of rural Americans has depended more on increased transfer payments than on increased wages for jobs.[17] Transfer payments have come primarily from the federal government. Social Security is the largest single source of these transfer payments. This does not mean that rural Americans are receiving a disproportionate share of the benefits from federal programs. Rather, it suggests that even though benefits to rural Americans lag behind those received by urban Americans, these payments constitute a larger share of the rural than urban income.[18] This further suggests that wages are a less important share of the rural than the urban income even though employment has been growing in rural America. This is a pattern consistent with the existence of a significant degree of sub-employment. Since a continued expansion of transfer payments cannot be assumed, rural Americans and rural communities may feel important effects. Heretofore, much of the well-being based on transfer payments has been attributed to the benefits of industrialization. This has helped obscure the problem of rural sub-employment. The impact of transfer payments would probably have been greater had rural Americans been more aware of their eligibility for benefits from various programs. It is generally felt that many more rural Americans are actually eligible for benefits than are receiving benefits. In addition, the particular characteristics of rural poverty–a working, property-owning, farming-based poverty–disqualify rural Americans from some of the programs they would seem to qualify for on income criteria. Whether this has been a positive factor for the future prospects of rural America is a matter of intense controversy. Rural Americans would seem to provide a useful test of the Gilder hypothesis that people who do not qualify for government programs have a greater chance of overcoming poverty than do those who have received public assistance, especially if that assistance is based on single-parent households.[19]

The effects of industrialization have not been distinguished from the effects of transfer payments in pursuing the three goals of rural development. Transfer payments are further distinguished from industrialization by the non-involvement of local governments in attracting such income. Transfer payments are made to individuals. They do not require community involvement. Therefore, the limited institutional capacities of local governments are obscured by the in-flow of income to local citizens through transfer payments. In the case of industries, local governments are becoming involved in offering incentives to location. This tests the capacities of local governments to serve and to reconcile the interests of diverse components of the local population, the interests of the new or expanding industrial sector, and the interests of an older agricultural sector.

States and communities now compete intensely for industries. The competition is especially acute for nondurable manufacturers since they are not bound by the availability of raw materials or other characteristics peculiar to a particular site. They also employ low-skilled workers of the type available in rural areas. In such a competition, almost all communities have something to offer and few communities can be automatically ruled out. Unlike mining or other forms of energy development, nondurable manufacturing plants can be relocated with little disruption to production. The competition among states and communities has become known as "smokestack chasing."[20] Evidence is accumulating that some companies take advantage of the competition to locate and then to relocate and then relocate again to take advantage of community incentives. Again, it is not always easy to determine when in fact an industry is relocating and when it is adding a new facility. Relocation is a far more complex process than one would gather from the heated exchanges at Sun Belt--Frost Belt conferences.

Industrial location decisions are not clearly understood. There is no agreement even on a list of factors that affect location decisions. Much less insight is available on the priorities that executives in various types of industries attach to the numerous factors relevant in a location decision. Two research methods have been tried and each has its limitations. One might ask those who make such decisions what factors influenced their choices and one might infer the reasons for a decision from the decision itself. Each method has advantages and disadvantages. As in any survey research, asking participants produces articulated attitudes. It is not necessary to suggest that respondents lie in order to suggest that attitudes and behavior do not always correspond perfectly. Attempting to infer the reasoning process from a sample of location decisions risks picking a sample of outcomes that are atypical or failing to capture the complexity of the decision. Those aspects of a location that seem most obviously important to an observe may not have been the most important factors in the minds of the decision-makers. Their problems are inherent in all research projects and do not constitute a unique or insurmountable barrier to meaningful research on rural development. However, awareness of these methodological considerations is useful in assessing those few studies on location that have been done.

One finds very few studies of the location of rural industries.[21] Business persons generally assert that low wages themselves are not a primary consideration and that the efficiency of the labor force is even more important in determining labor costs. What actually constitutes cheap labor in various industries is a matter of some dispute.

Local government leaders and state officials seem convinced that public sector incentives are essential. Fragmentary research shows no conclusive evidence that business leaders share this view. It is possible that the more marginal businesses are more attracted by tax incentives than are more stable businesses, but the data are sparse. Provision of infrastructure in the form of land, buildings, water and electricity may be important factors in location decisions.

The most important factor in location decisions seems to be an assessment of the business climate.[22] In this assessment, the likelihood of labor troubles seems to be a very important, possibly a decisive, factor. Rural areas, especially in the South, have a lower rate of unionization than does the nation as a whole. The provision of physical infrastructure, tax incentives, and training programs may be more significant as indicators of a community and state commitment to a good business climate than as factors in their own right. Areas of large minority populations are regarded by at least some making location decisions as a poor risk since minority populations may attract unionization or other efforts destabilizing the local labor force.[23] Since women are available in all areas, their presence or absence cannot be a locational criterion. However, since women's wages nationally are .59 for every dollar earned by men, they are a low-wage and generally a non-disruptive work force.

The roles actually played by local governments and state governments in shaping location decisions by the private sector requires far more research. No one has yet inventoried the range and incidence of locational incentives. Nor is the impact of these incentives on the community well-understood. Who pays for rural industrialization? Answers are not yet being sought through systematic inquiry.

The emphasis on attracting industries has obscured inquiry into what happens once the industry comes to a local area. What are the results of successful comestack chasing? For individuals, the results are jobs but not necessarily an end to poverty. Most of the managerial and skilled positions go to new arrivals, to those brought in by the firm.[24] Local residents tend to get the unskilled jobs that pay minimal wages and provide, at best, minimal benefits packages. Young workers and women are given preference over adult men. The reasons for this preference is unclear. The results are somewhat clearer. Women in rural industries have more jobs but their median income declined $200 per year between 1969 and 1976 as more and more women were employed in low-paying jobs. There are instances of women whose work is managerial but whose jobs have been redefined to clerical so that their wages can be kept at a minimal level. A study by the United States Department of Agriculture concluded:

> While it is true that labor force participation increased, that residential differences in participation declined, and that a majority of employment growth during the 1960s was accounted for by women, other indicators, such as the industrial and occupational composition of employment, show that nonmetro women continued to be concentrated in low-wage, low-skill, and in nondurable manufacturing, extractive, and personal service industries, while only 17 percent of the metropolitan women were similarly employed....
>
> While the number of employed nonmetro women with earnings increased by 2.9 million from 1969 to 1976, the mean earnings of these women actually declined by $200. Therefore, while more women are becoming employed, the occupational and industrial composition of their job opportunities implies reduced average earnings.[25]

This is a consequence as much of the nature of job opportunities as of sex-based wage rates. The same factors affect the wage rates of men in rural industries, especially the men from the community into which the industry moves. Local men tend to work at unskilled or semi-skilled jobs, while the in-migrant males tend to hold supervisory and managerial positions. Neither men nor women from the local area tend to have much opportunity for career advancement within the company.

Black men have far fewer opportunities for employment than do white women or men.[26] This is seen most clearly in the South, where employment opportunities have increased rapidly in rural industries. However, although blacks comprise 40% of the Southern work force, they have received only 16% of the new jobs.[27] In Alabama, industrial employment rose 30% between 1950 and 1970, but employment in the most heavily black areas declined by 30%.[28]

Overall, rural industrialization seems to coexist with continued sub-employment. Since 1950 industrial jobs paying below the national average have increased by 128% in rural America, while industrial jobs paying above the national average have increased by only 28%.[29] A study prepared by the National Institute of Education concluded:

> The growth of large-scale business and industry in rural locations has improved rural conditions simply by putting more people to work. It has not, according to most studies, helped those most in need, the disadvantaged and minorities, nor has it significantly improved income disparities.... Thus, while industrial growth has improved the employment picture in rural areas, it has not always improved the income picture or the quality of life.[30]

These findings remain tentative until one has better information on what kinds of rural industries in what kinds of locations account for various levels of wages. It is also unclear how broad-based, how close to statistically random are the samples on which these findings are based. Whether the pattern of sub-employment continues as industries mature or as more industries become established in a community remains unresearched.

Successful smokestack chasing also has consequences for the community. These consequences affect both the public and private sectors in local communities. The public sector impacts relate to the costs of attracting industries and the costs associated with population growth linked with industrialization. These public finance questions have rarely even been discussed, much less researched.[31] Competition for industries seems to involve tax breaks, tax deferrals, and direct expenditures such as the provision of a plant site and perhaps even buildings. These costs may be financed by the sale of bonds or through increases in the property tax. The tax burden on various sectors of the community associated with various levels and types of public financing of industrial plants remains unexplored. Sommers and his colleagues found that local government officials generally underestimated the costs and overestimated the benefits of attracting an industrial plant.[32] Again, they make no claim that they have a statistically representative sample even though theirs is the most comprehensive compilation of data on rural development to date. Public finance of rural development is perhaps the most important unexamined area of inquiry. It requires collecting data from thousands of local governments and quasi-governmental organizations, inventorying their powers to raise revenue, and conducting case studies on the impacts of these revenue-raising strategies.[33] It is impossible to draw any conclusions about the benefits of rural industrialization until it is possible to document the costs.

The direct costs associated with attracting an industry may be compounded by indirect costs in sustaining that industry. These costs may include expanded public services such as water, sewer, streets, street lighting, education, health care, recreation facilities. Such costs could also be community benefits by enhancing the quality of local life and by stimulating local economic activity. Overall, however, the multipliers associated with the location of a plant in a rural community are small.[34] This is partly due to capital leakage from the local community to the nearest large city. Bluestone found that communities not adjacent to metropolitan areas retain a greater share of the money generated by local industry than do communities that are adjacent to metropolitan areas.[35] Nevertheless, capital leakage remains a significant factor. This is primarily a leakage to urban areas rather than to the surrounding rural areas. Rural industrialization tends to help communities but not counties to the extent that it has documentable local benefits.[36] The impact on a community is also limited by the prior existence of substantial excess capacity in local retail and service enterprises.[37] New industrial plants do not seem to help start other new business but they may help existing businesses remain viable. This is a very complex matter. Industrial plants that bring in new people also tend to attract new businesses, usually franchises of national chains, to permit those people to live as they have elsewhere. This is usually welcomed by local people who prefer to eat the kind of fast food they see on television rather than that available from a local cafe. In some spheres at least local people welcome change. Again, there is no substitute for careful case studies of changes in actual communities.

In all of these studies agriculture is a major neglected variable.[38] Rural communities have been sustained--to the extent that they have been sustained--by agrarian economies. The relation between the older agricultural economy and the new industrial sector defies speculation. To the extent that rural industrialization is financed through increased property taxes, farmers will bear a disproportionate burden. However, local taxes do not usually constitute an important share of total farm costs. To the extent that local industry makes land more valuable, farmers will have increased net worth and enhanced borrowing capacity. There has been no satisfactory research on the impact of local and state taxes on farmers. Since tax returns are confidential, neither officials nor scholars routinely have access to the data necessary for assessing the impacts of taxes on farms. The relation between the agricultural and industrial sectors of local economies remains virtually unexamined.

It would be premature to reach any firm conclusions about the experiences with rural industrialization. Raising the question of scale is to show the lack of research on the causal sequences of rural economic growth as well as on the impacts of these changes on individuals, communities and the national economy.

The national impacts of rural economic change are probably less pervasive than the impact of national economic developments on rural economies. In the national debate over economic policies, rural areas are rarely mentioned. Rural areas are virtually excluded from the controversy over reindustrialization.

RURAL DEVELOPMENT IN NATIONAL PERSPECTIVE

Everyone agrees that rural development is linked to the provision of jobs. Not everyone agrees on how to provide the kind of jobs that permit workers to raise themselves and their families out of poverty. The debate over jobs has been subsumed in a national debate over the operation of the entire national economy, the roles of the public and private sectors, and the merits of focusing directly on the needs of the poor. In this debate, rural America is rarely mentioned directly. Yet, the debate over "reindustrialization" could have profound consequences for rural America an rural Americans. The nature of the potential impacts is best understood in the light of a brief discussion of the broader debate over natoinal economic revitalization.

"Reindustrialization" is not simply another program or policy. It is a public philosophy for the nation. It calls for fundamental changes in individual and societal values and behaviors. Business leaders, labor leaders, elected political leaders, senior administrators, and scholars from the universities and the private research centers have all participated in shaping this new public philosophy.

Productivity is the central theme of the proponents of reindustrialization. **Business Week** opened its special issue on reindustrialization with a dramatic call for a commitment to increased productivity:

> The U. S. economy must undergo a fundamental change if it is to retain a measure of economic viability let alone leadership in the remaining twenty years of this century. This goal must be nothing less than the reindustrialization of America. A conscious effort to rebuild America's productive capacity is the only real alternative to the precipitous loss of competitiveness of the last fifteen years, of which this years wave of plant closings across the continent is only the most vivid manifestation.
>
> Reindustrialization will require sweeping changes in basic institutions, in the framework for economic policymaking, and in the way the major actors on the economic scene–business, labor, government and minorities–think about what they put into the economy and what they get out of it. From these changes must come a new social contract between these groups, based on a specific recognition of what each must contribute to accelerate economic growth and what each can expect to receive.[39]

Enhanced productivity is most important in those industries that can compete successfully in international markets. Reindustrialization is not a series of ad hoc bail-outs of troubled companies but a transformation of American capitalism.

Any such fundamental restructuring of the economy will inevitably have profound effects throughout the economy, the society, and the political system. Reindustrialization will have especially important impacts on employment policies and on social service programs. The easy and comforting assumption that growth benefits everyone is not necessarily correct. The proponents of reindustrialization do not resort to this soothing rhetoric.

The primary purpose of reindustrialization is capital accumulation, not job creation. Peter Drucker, writing in **The Wall Street Journal**, makes this distinction quite clearly

> When union leaders and executives of old-line manufacturing industries call for "reindustrialization, they most commonly mean policies that will maintain traditional blue-collar employmentespecially jobs for semi-skilled machine operators–in mass production industries.
>
> But, in all highly developed industrial countries, including the more industrialized parts of the Community bloc, policies aimed at maintaining traditional blue-collar employment are incompatible with another meaning of "reindustrialization": the restoration of international competitiveness as a producer and exporter of manufactured goods. On the contrary, the only way for a developed economy like the U. S. to regain its international competitiveness is to encourage a fairly rapid shrinkage of traditional blue-collar employment.[40]

To the proponents of reindustrialization, much of the American labor force is an unproductive surplus, a drain on productivity not characteristic of the economies of the other advanced industrial nationals. Since these people will continue to exist, some way must be found to turn them from a liability into an asset. **Business Week** suggests that these workers could be the basis of a strategy to make the United States competitive with the industries of the developing nations.[41] This strategy depends on making non-durable manufacturing industries more efficient and keeping wages in these industries competitive with those in the developing nations. This would not mean paying the same wages, but in paying equivalent rates for equivalent productivity. Public or private investment in such industries would not be as important as investment in industries that could compete in markets for advanced products. Local governments might well become more important as sources of investment capital for non-durable manufacturing firms.

Paradoxically, the discussion of reindustrialization is at once comprehensive and incomplete. Consideration of the scale of enterprises is the major missing element. Consideration of scale focuses on the issue of choice. Unless one assumes that investment capital will become so readily available that choices are no longer necessary, choices will have to be made. Indeed, proponents of reindustrialization emphasize the negative consequences of past failures to make such choices and the necessity of making them in the future. These will be choices between competitive and non-competitive firms, with the standard of competitiveness being set by global markets.

Scale is an undiscussed intervening variable in these discussions. No one suggests that competitiveness and scale relate linearly. No one, however, offers any suggestions about the relationship between scale and competitiveness in various industries. While economic revitalization is not designed to save jobs by bailing out troubled giants, it is also not designed to create jobs by aiding those small businesses that account for most of the jobs, most of the new jobs, and most of the minority employment in the American economy.[42] Small businesses suffer to an important extent from capital shortages at critical periods. They may well require the kind of direct investment that most proponents of reindustrialization would prefer to see replaced by tax incentives, accelerated depreciation schedules, and reduction of the regulatory burden.

Proponents of reindustrialization do not rely on a soothing general interest argument, but they do not discuss the issue of linkage among firms of various sizes. How does economic revitalization in one sector of the national economy affect other sectors? Is there a "national" economy or is the economy multi-local so that the effects of growth in various industries or particular areas do not spread to other industries in other areas of the country? Again, one sees that concern with the issue of scale leads directly to questions about the processes of economic growth. Since World War II economists have devoted more attention to studying the processes and phases of growth in the new nations with developing economies than they have to studying the same processes in the older nations with mature economies.

Some commentators refer to a "trickle down" effect of aggregate growth, but these references assume the contours of a faith rather than a theory. It is by no means clear where and how aggregate growth must occur if it is indeed to trickle down to smaller businesses and to those Americans who are not employed in competitive industries requiring a highly skilled labor force.

Reindustrialization theorists do not provide analyses of the causal sequences of economic growth in a mature industrial economy. Rural Americans need such analyses if their interests in the vitality of diverse enterprises are to be linked to the broader public philosophy of economic revitalization.

VOCATIONAL EDUCATION AND RURAL ECONOMIC GROWTH

Vocational education programs at the secondary and post-secondary levels can be investments in human resources. The utility of such investments for the individuals, communities and for the nation are matters of some dispute.

Education is always controversial. This is partly because someone will usually take exception to some portion of the curriculum. This is as true of vocational courses as it is of the more obviously controversial subjects like sociology, political science, economics, and philosophy.

Even chemists and biologists manage to engage each other in intense controversies. Education is also controversial for reasons not directly attributable to the content of the curriculum. Educational programs and institutions stand at the intersection of the public and private sectors. Designing educational programs involves attempts to reconcile competing community interests.

Each of the three broad goals of rural develop suggests a different approach to vocational education. Placing first priority on individual betterment suggests vocational education programs that would not simply train people for entry-level positions but for job mobility. This means training not only the unemployed but also the underemployed. Such an approach has become extremely controversial in many areas. Employers feel that programs for career advancement tend to destabilize the work force and they object to using public monies for such a purpose. The same type of controversy surrounds discussions of whether vocational programs should emphasize general or specific skills.[43] General skills would seem more useful to those seeking career mobility, while specific skills might be more useful to those seeking job entry. One of the difficult questions in this discussion is defining what constitutes a specific or a general skill. Basic literacy would be a general skill, but would welding be general or specific? The case of training people to operate the machines used in only one plant would be a clear case of a specific skill. Under what circumstances would businesses want their workers trained than specifically by someone else? Is this a justifiable use of public money? These are not easy questions. Critiques of vocational programs providing specific skills generally charge that these programs limit people to sub-employment by training them only for one very narrowly defined job. Even this training is not open to everyone with the basic qualifications to perform such work. South Carolina has become known for linking access to vocational training to a clean record of non-involvement with unions.[44] Such approaches suggest that the vocational education officials, having become acutely uncomfortable with their difficult position at the intersection of individual and business interests, have resolved the problem by choosing to annex a publicly-funded program to the private sector.

Such choices are more likely to be made in communities with one large business than in communities with several small businesses in addition to one or more large plants. Rural communities are unlikely ever to offer great diversity of employment opportunities. In such contexts one must ask whether vocational programs, and especially post-secondary vocational programs, are necessary at all? Should the industry itself assume the responsibility for and the cost of training its own workers in the use of machines particular to that plant? Should vocational education monies be used instead to help the hard-core unemployed in rural and urban areas acquire sufficient skills to be able to enter these industry training programs? These are fundamental questions about the relations between the public and private sectors. Reduced federal interventions in the private sector logically coexist with increased private sector responsibilities for itself.

Strategies for designing vocational education programs for enhanced community vitality are as complicated as are the strategies for designing vocational education programs for individual betterment. If community vitality means not having the younger generation leave the community, then perhaps vocational programs should teach a limited range of industry-specific skills appropriate to employment in the local community. This, however, may be a short-sighted approach to community vitality. One might think instead of training that would help local people establish small businesses serving the needs of the local industrial or agricultural sectors or catering to the needs of local consumers. In addition, programs might be offered that help local people, as citizens, make decisions about their community–what types of incentives should be used to lure what kinds of industries and how should the costs be distributed?

Making national economic revitalization the primary goal of both the public and private sectors would very possibly leave little room for vocational education programs. The 'knowledge workers' in those companies most likely to be competitive in global markets would be trained by the colleges and universities, not by the vocational institutions. Mass-production workers would have little basis to claim publicly-funded training since the number of semi-skilled workers would be decreased rather than increased.

Pursuing a rural development strategy that recognizes issues of a link between scale and diversification, on the other hand, and community vitality and individual betterment, on the other, suggests a vocational education approach that provides the kind of general skills required in small businesses. These are also the kinds of skills that, at the very least, do not impede individual advancement even if vocational training is a relatively minor factor in achieving such advancement. Acquisition of such skills may facilitate out-migration and the search for greater opportunities elsewhere. This possible pattern involves something of a paradox: a large plant imports their managers into the local community, local people with too much training for unskilled jobs but too little training for managerial positions leave. This may not be a legitimate concern of public policies. But, it does suggest that individual betterment, community vitality, and national economic revitalization cannot always be easily reconciled in the design and implementation of vocational education programs.

CONCLUSIONS AND RECOMMENDATIONS

Rural America is being ever-more closely integrated into the national economy and the national culture. Rural Americans tend to welcome many aspects of this process, but they do not want to be integrated into the broader economy to the disadvantage of themselves or their communities. This seems like a reasonable position, but, as students of the complexities of achieving Pareto optimality have demonstrated convincingly, it is by no means a simple task. Some communities of rural America will disappear as their former utility as market centers and socio-cultural centers and even politico-administrative centers decline and these functions are transferred to other communities that were once considered remote and which are now demonstrably accessible. Some people who may prefer to live in a rural area will have to go to cities to find employment opportunities that match their skills. These are the unavoidable by-products of change. Yet, this is not to conclude that rural America as a whole will become irrelevant either to the people who live there or to the national economy. Indeed, people and businesses are moving into rural America.[45] This paper has suggested some preliminary considerations and some topics for future research and future policy consideration.

Despite the growth of industrial employment in rural America, the total income from transfer payments is still larger than the total income from industrial employment. This finding should raise questions about the wage and salary levels in rural jobs. Such questions seem especially important since rural Americans receive a lower level of aid from public sources than do urban Americans and yet, in urban America, income from industrial employment exceeds that from transfer payments.

Rural poverty differs significantly from urban poverty in ways that are directly relevant to public policies. Urban poverty stems largely from unemployment, while rural poverty stems primarily from sub-employment. It is facile and, indeed, irresponsible, to decry sub-employment until one can determine whether unemployment is the only alternative to sub-employment, whether industries would not or could not move to rural areas if rural workers commanded different wage levels. Virtually no data relevant to answering this fundamental question yet exist.

Several observers have related sub-employment to the occupational mix characteristic of labor markets in local communities. This discussion has not been linked to questions of the scale and diversity of enterprises within a labor market. It is not clear whether, on balance, large or small or medium-sized industries pay better wages and offer greater scope for advancement. The conditions accounting for variations have not yet been identified.

Questions of scale are also related to questions of the causal sequences of growth. It is unclear under what conditions a large plant in a community facilitates the emergence or survival of smaller companies and retail and service businesses.

The relations between the agricultural and industrial sectors of local economies remain virtually unexamined. Yet, development strategies in one sector that restrict opportunities in another sector cannot be consistent with any of the three goals of rural development.

The role of the public sectors at the federal, state, and local levels in fostering particular types of rural development remains largely unstudied. The impacts of these efforts are even more difficult to assess. The broad question that should not be ignored is: What is the proper relationship between the public and private sectors. A corrollary of the private sector's desire for less interference is an increased willingness to take responsibility for itself. This might well reduce the current competitive smokestack chasing resulting from the competition among communities and states for industries.

This broad question relates directly to vocation education programs. The industry-specific programs seem a questionable use of limited public resources. This seems especially true since there is little evidence that the provision of such programs is either a necessary condition for attracting industries or enables individuals to overcome the poverty associated with sub-employment.

Finally, the national agenda of economic revitalization may well have significant impact on rural America. In these discussions, rural America is mentioned only indirectly. Yet, a large portion of the country with a growth proportion of the population cannot responsibly be dismissed.

It is always easy and always justified to call for increased research on important topics. Questions of rural development require not so much more research as more focused and better-coordinated research. Policy makers cannot wait for scholars to develop complete data sets and flawless models, but both scholars and policy-makers--as well as the people of rural and urban America--have an interest in improving our understanding of the fundamental issues affecting a changing rural America.

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The Role of Investment Capital in Rural Development

LLOYD BRACE

DEFINITIONS/PREAMBLE/PREMISES

"Invest" in my office dictionary reaches the fourth order of sense before it relates to our topic - "to furnish with power, privilege or authority - and then goes on to the sixth order of sense to reach the meaning we have in mind, "to put money into business, real estate, stocks, bonds, etc., for the purpose of obtaining an income or profit."

This exercise with the dictionary is meant to emphasize a definition and a premise in this paper. Investment continues to be the placing of wealth in an enterprise for the purpose of securing a long-term gain. The earlier usage of the word is of note because it lends an important connotation to financial investment - conferring money confers power. The "investment" implied here is that capital which must be dedicated permanently to an enterprise in order to get it started and, often, to help it grow. In enterprises just being established means finding savings from one's own economy or from the public economy and dedicating them as the foundation capital of the concern.

Capitalism has grown in three forms over the past 500 years. The original capitalism emerging from the Renaissance involved enterprises owned and controlled by individuals. The tradition of individual entrepreneurship continues to this day and has spawned many of our giant enterprises. Joint or corporate capitalism began almost as long ago, with the best known large examples being the royally chartered trading companies of England and the Netherlands in the 17th century. State capitalism, the third stream of development, was first experienced in the American colonies in such government monopolistic enterprises as the production of Naval stores (pine tar) and Naval spars (the tall straight pine trees reserved for the crown and known as the King's Arrows). More recently, state capitalism appears in everything from subway systems, airports, nuclear fuel production and most of the world's overseas airlines.

Government capitalism can be a forceful instrument of policy. The gradual development of the U. S. Federal Government's role in American capital market is an example. The mechanism arose out of the high personal and corporate income taxation rates developed during the Second World War and continued to this day. The importance of the income tax "bite" was that it has been in the Federal Government's power to affect private investment decisions by adjusting their tax impact. The industrial revenue bond exists because the internal revenue code permits

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Lloyd Brace, Maine Development Foundation

instrumentalities of state and local governments to issue debt whose interest stream is exempt from Federal income taxation. Combined with another expression of governmental capitalism, the loan guarantee, this revenue bond appeals to a large segment of the individual and corporate taxpayers as having good security (the guarantee) and an attractive net (after tax) yield. This represents a formidable force in capital markets. One component of this force, income taxation, reduces the attractiveness of private equity investments because their current yields are taxed. Another part of the force attracts the investor to guaranteed, effectively high-yield fixed income debt investments. Thirdly, this force presents to state and local entities a strong incentive to offer debt-based investment projects. Fourthly, this debt means of securing investment capital, with its deductibility of interest costs, is more attractive than the prospect of paying dividends after high income taxes. Contrast these attractions with the prospect of losing all in a totally at-risk private venture, taxable on the "upside," and one sees that state capitalism is pervasive.

If we are to discuss the role of investment capital in rural development, we will need to keep separate the notions of private equity capital investment and public debt capital investment because they are competitive with each other and because their availabilities are not always complimentary as seen by the developers of a particular project.

One interesting effect of taxation and the state's intercession in capital markets has been the re-emergence, or at least the uncovering, of our "underground economy." Americans have always had a barter economy. I let you use my snowblower, you let me use your garden tiller. I give you the pulpwood stumpage on my small woodlot, if you will cut and fit a certain amount of hardwood for my stove. More recently, orthodontist A fixes the teeth of electrician B's daughter in return for the wiring of A's vacation house at the lake. No money changes hands. I am watching this phenomenon with mixed emotions. As a citizen, I have the fear that the critical mass of voluntary compliance that facilitates our tax system may be eroded to the point of failure. As a congenital entrepreneur, republican and democrat, I am cheering because we are witnessing a popular referendum. Every day people and businesses are voting with their actions on the "establishment's" rules for the economy and the way it is run. If our government can catch the sense of what is happening, and reformulate its impact on the private sector, what has happened so far can be celebrated as another one of those healthy groundswells which produce positive change in the country. If the phenomenon is misperceived or misinterpreted, or if the wrong responses are applied, chaos could ensue.

PREMISES FOR PRIVATE INVESTMENT

In the private sector, money is committed to investments to produce current yield and long-term gains. The equation's opposite side is the risk or loss, or less than expected performance. Other parts of this principle include:

- The relationship to existing investments and/or operations. An investment may be made to expand a plant or to provide balance in an investment portfolio so as to spread risk.

- Investments are often made for satisfaction, although the investor will usually be at pains site selection decisions by industrial firms revolve around the personal preferences of a chief executive officer. There are industrial establishments in various parts of Maine which are there because the chief executive officer grew up in the state, went to camp in the state, has relatives there or had a particularly memorable vacation there. True, good cases were made for availability of labor, pure water, low cost land and the like, but when it is shown that up-state New York or southern Wisconsin might have offered similar attractions, the truth seems to emerge.

- Competition by other capital uses world-wide is a vital factor in investment decisions. Many capital sources today, either individual or large institutions, sit astride large deal streams of extreme variety. An active investor could be simultaneously considering the details of an investment in gold, a nursing home partnership share, a jojoba plantation or founder's shares in a high technology start-up. Methods of analysis in favor today make it possible to reduce such a variety of investments to comparable measures of risk and reward. This means that the proposal from ruraldom must be every bit as well presented and documented as any other private offering might be.

- Community attitudes can have a significant effect on the investment decision. An investor whose project will impact the local society, environment, property taxation patterns, and pre-existing employment conditions looks to learn how those impacts will condition the prospects for a successful project. Quite often, an investment project might run into strong environmentalist resistance. Further investigation then turns up the real cause of resistance in the fact that the project represents an incursion into what had been an employment monopoly for an existing enterprise.

- Cultural and life style attitudes may affect investment decisions for functional investors, i.e. those who will move with their money to the location where the physical investment is being made. There will be a search for the "right" mix of education, entertainment, medical service, and other lifestyle qualities.

- Finally, transportation factors are especially important. Investment decisions affecting rural areas are particularly sensitive to the transportation factor since these enterprises are often concerned with large quantities of relatively low-value material. Site location close to heavy shipping facilities becomes important. These and other enterprises may also be concerned with the personal mobility of highly skilled or responsible individuals involved with the project.

PREMISES FOR PUBLIC INVESTMENT

So far as I know, we don't yet have public investment on a pro-profit basis.

The first and oldest model for public investment has concerned the development of our basic infrastructure of roads, sewers, water systems, schools, security and fire protection. Infrastructure investments are widely believed to be the prerequisite for industrial expansions in rural areas. Today's social contact has the public underwriting these expenditures because the broadly beneficial effects that infrastructure facilities are not easily accessible in detail.

Another important factor in public investment could be called the seed or leveraging concept where state or local government and the federal government, in the case of the SBIC program, provide attractive financing terms for investments which are led off by private capital core commitments, of which, more later.

There are often humanitarian premises for public investment, all generally falling under the general category of "dignity of jobs and those who hold them." The underlying concept is that it is unacceptable to society to support a large unemployed population. More practically, we find that a public investment dollar goes farther against the plight of the unemployed than does direct support.

Some planned societies make public investments with an eye to the development of human resources, in connection with national strategic goals. In the U.S.A., we have a number of training incentive programs connected with industry with such objectives in mind. In *most cases, the* investment is made in free-standing programs such as CETA with concomitant investments (provided as grants) or labor subsidies to the employers connected with the programs.

Taxation Considerations Relating to Investment

Some long-standing conditions of our economy have led to a "borrow-spend" psychology of inflation. The federal government as well as state and local governments have been major participants in this development. Large, well financed corporations seem to be able to adapt to these new conditions. Small companies everywhere and enterprises connected with property-based rural economies seem less able to endure. The rural parts of our country are filled with land-rich, dollar-poor people and enterprises who would make useful investments and who know best how to, but cannot. Unless the land itself can be used as the equity and the collateral in financing, these people cannot muster the start-up "nut" with which most investment finance works.

Geographic/Geopolitical Concerns

Investment priorities tend to run into a planning or philosophical argument as to where important investment should take place. The argument runs about as follows:

- Thesis - "Where there is a choice, we will get the most from our investments in urban areas." Only in urban areas with a variety of high achievement institutions in education, medicine, research and finance do we get the kind of "idea soup" that leads to fruitful growth. This school of thought can point proudly to the Bay Area, Greater Boston, North Carolina's Research Triangle, Greater New York, and, more recently, Denver. The concomitant, but much less well articulated thesis, is that rural areas are somehow ancillary to the centers. They are providers of raw materials, acceptors of refuse, playgrounds, the "boonies."

- Antithesis - "Cities are the new dinosaurs" is the opposing view. The vitality of their early growth is gone. Their oncoming costs of refurbishment (water and sewer systems, streets, housing stock, schools) far outweigh the benefits. The cities should be dispersed or at least reduced to perform only those functions which need to be centralized.

- Synthesis - "Diversity is fruitful." The corollary is "We'd better learn to be flexible" because the microprocessor chip and the communications cable appear to be creating new intellectual foci or communication nodes which do not depend on congregations of talent in cities. However, there are other enterprises which will always depend on concentrations in cities and yet other enterprises which need to be fairly near. A sensible synthesis of these views will look at an investment project and ask why it's being put where it is and how long-standing will the good sense of the resulting decision be. A case in point today in Maine follows:

The transportation of sawlogs by flotation in waterways is no longer permitted in Maine. As a result, sawlogs are now trucked to a mill. A log is a very good package. A plausible case can be made for siting sawmills close to the point of lumber use now that all of the log is utilized in some way. Several sawmills in southern Maine have expanded as a result of thinking along these lines. The logs simply stay on the truck for more miles. On the other hand, one must then carry much contained water in the logs.

The transportation of coal from western fields has been proposed by pumping a coal-water slurry in pipelines. Potential loss of the vast volumes of water required has forced a new look at the problem. One possible emerging solution: partial liquefaction of the coal itself to an oil that can act as a carrier.

Another more complex example:

The technology of wind-electric power generation has developed to the point where "wind farms" are being planned and built. Our more metropolitan areas place more constrictions on land use which tend to limit the siting possibilities close to major population and power consuming centers. The more rural states place fewer constraints on land use that is not damaging but not particularly esthetic, although the siting of wind farms in rural areas may seem at first glance to reinforce the impression of ruraldom as a resource area. A closer look into the future might show that the added low cost power could be an attraction of industrial site seekers.

I. Need for Greater Ability of Investment Capital for Small and Micro-Economic Ventures ($5,000 - $200,000)

In the past two years, developments on the economic and financial fronts have placed severe pressures on all small and microbusinesses. October 6, 1979 was the day that the symptoms of many organic difficulties in our investment system erupted into widely felt pain. It will be remembered that in October of 1979, the Federal Reserve Board abandoned interest rate controls in favor of money supply controls. Since then, we have seen rates as high as 22% for the New York Prime, higher yet for many smaller companies and considerable constrictions in the money supply, particularly as felt by smaller concerns. There is a whole layer of retail and service enterprise in this country whose financial management skills are, and have been, modest. Looking back, these enterprises have operated on less capital or net worth and more debt than has turned out to be prudent. Honesty, thrift, and good banking relationships sufficed in the past to let the company roll over its short term debt time after time. In the last two years, however; bankers have found themselves facing the pain of telling valued customers in plumbing contracting, wholesaling farm equipment dealerships, roofing and hundreds of other local occupations that they must go out and find 10, 40, 150 thousand dollars of long-term debt. The investor most likely is to be the business owner himself, his family, or other local money. Due to the low historical savings rate in this country, many of the people to whom the entrepreneur might turn, do not have the money. Due to the tax effect on incentives to save, these people have themselves borrowed and thus leveraged their own capital bases. The first, fundamental, and most important change that needs to be effected for greater availability of investment capital for small and micro-economic ventures is to redignify private saving. This should be done with tax incentives on savings and small investment income, and capital gain and reduced income taxation generally on individuals and small concerns. Our most vexing international competitors, Japan and German, have no capital gains tax at all.

There is a growing body of thought that says that once a farm has reached a certain size, usually well within the capacity of a family unit to operate, further economies of scale are purely financial. In parts of the high plains where the Oglalla Aquifer is increasingly depended upon for farm water supply, the dropping water table makes new or deepened wells increasingly expensive. The result is that larger and larger agglomerations of wealth are necessary to buck this water supply program. Although otherwise fully competitive, farms of a practical family size, say up to 1,000 acres, are being squeezed out for financial, not practical, reasons. There are two issues here, one concerning prudent use of an extensive but declining resource and the other about the way in which society will organize its proprietary energies. If one believes that diversity in the market place lends stability, then we must say that there is a need for investment capital for smaller and medium sized farming units which will provide that diversity.

Changing economic conditions are calling forth new means to old ends. The recent decontrol of "old" oil, concomitant price rises and predictions of further rises once again force private reconsideration of our transportation net. We have already seen the beginning of van pooling where people come together to work. When further cooperation in transportation is required, how will it be organized and financed in rural areas? The administration's changes are going to mean that the financing of more extensive mini-busing networks will come largely from the private sector. These enterprises are by nature adapted to small business, with many opportunities for part-time employment and small investment. Who in the local economy can be induced to make such investments, and how? The same kinds of questions hold true for the various residential and agricultural energy technologies that are just beginning to emerge.

Agriculture itself now faces the need to find less energy intensive cultivation methods. The changes in methods of tillage, fertilization with green manures, and crop rotations are more intensive in intelligence so as to use less energy. A number of years is required for conversion, both inside the farmer's head and on the ground, sometimes at reduced or no profit for awhile. It could be that this process of change is a vital subject of public investment.

A certain amount of "industry" in rural areas contributes to economic stability and general welfare. Recently a skilled labor-intensive part of the electronics industry moved to a rural town in the Northeast. Although the labor differential, though modest, was a factor in the move, more important was labor force stability. In its urban setting, the company had found that it made repetitive investments in the personal learning curves of operatives who, too quickly, left to take their skills elsewhere, in a volatile high technology labor marketplace. To protect its training investments, the company has settled in a more stable rural society where most employees are earning second incomes for their families. The result is that the company can pay more than might have been expected in the rural area by passing on some of its savings in the training investment. Government transfer payments had been an important support for many of the new employees before the assembly firm arrived. Reductions in local expenditures of public funds for unemployment compensation, welfare, and the like have been of immediate help. A longer term benefit is the avoidance of cost to the social fabric incurred when individuals move to the cities in search of non-existent work.

The problem of investment capital for new small and "micro" ventures in the rural world is in three areas:

- Getting enough knowledge and skills together in one entrepreneur.
- Getting a down payment together.
- Access to credit.

In the area of training and education, it seems that our public education system has in the past 40 years, ignored or even down-played the foundations of our economic system. There is, in the schools today, an atmosphere of condescension or mild disapproval of the capitalist system, which must reflect the background and training of school people themselves. If our society is turning away from public enterprise, then we need a new cadre of entrepreneurs who understand how savings and profits become the inducement to investment. After that, they face the problem of acquiring the basic skills of business. In today's mood of government thrift, we are creating an obstacle to the productive reinvestment which we all want. It should be relatively easy to re-order the economic marketplace to put needed capital into enterprise. Most of the skilled hands involved will come from vocational training programs, especially at the high school level. It is a valid and vital public investment goal to increase spending in this area, not the reverse.

Getting a down payment together, whether for a farm or a small business, has been a problem, increasing slowly since World War II, and more rapidly since the early 60's. Today, a young graduate in agriculture faces a six figure "equity nut" in acquiring a start of his own. Perhaps he can take a lesson from recent innovations in the fishing industry and in private suburban home finance. The 200 mile limit has changed the ground rules in fishing sufficiently that many in-shore fishermen now seek an opportunity to go off-shore in much larger boats. Traditionally, single boat units owned by the captain has been the organizational standard of the in-shore fisheries. To go off-shore for days at a time means typically a ten fold increase in the value of the vessel needed. Lacking capital, fishermen are becoming general partners of limited partnerships that own their boats. Their limited partners are high-income professionals who can benefit from the tax credits and depreciation available in a typical boat financing. A similar mechanism is now being used to assist aspiring home owners who lack the larger down payments needed for ever more costly housing. We should explore the application of this limited partnership equity investment mechanism to the problem of family farm capital.

Banking in this country has not been developing so as to improve ruraldom's access to credit. There is a centralization process underway which hits the "small business" portion of the banking industry far harder than the forces working against small business generally. The economies of scale available to large banking units are tremendous. These institutions are in the city where they can deploy their industry-specialized credit officers effectively. Even small businessmen in metropolitan places can find bank personnel who understand their business because the bank is large enough to afford industry specialists. This is not so in the countryside. Even the largest banks of some rural areas can afford only generalists in lending. When the locally owned small bank making traditional "character" loans sells out to a statewide bank, the personality disappears, to be replaced by uncomprehending technicians not rooted in the community. These new banking units in rural areas are still not large enough to offer the industry specialists that their seniors in metropolitan areas can afford small business. Moreover, the financial press now speaks of rural areas as potential deposit watersheds for the metropolitan banks who are now reaching out for new economic bases. Is that all this upheaval is to bring us?

Banking operates under a public franchise. In the past, there has been a quid pro quo of franchise in return for regulation to protect the depositor. Perhaps a leaf should be taken from the communications franchising book in which a certain amount of public service must be rendered by the media in return for their wave-length monopolies. Maybe it is time for banks to be required to provide appropriate credit specialists to the areas in which they seek deposits.

The agri-bond concept may provide an economic vehicle for developing new rural lending specialists. "Agri-bonds" derive from the "umbrella" revenue bond concept now being implemented in various states. These bonds are industrial revenue bonds issued by municipalities or state organizations permitted to give the state tax exemption on interest. The umbrella portion of the concept involves selling an omnibus issue whose proceeds will be used for a number of entities instead of a single one. Such a procedure is being developed for revenue bond funding of smaller enterprises who cannot pay high fixed accounting, printing and legal expense of a small bond issue.

Economies of scale could also be applied to agricultural production investments. Local jurisdictions would issue bonds for a fund of $10,000,000 or more, to be disbursed through the expertise of banks in agricultural areas. Uses of proceeds could include:

- Potato storage warehouses in Maine
- Grain elevators in the mid-west
- Facilities for drying and processing whey in dairying areas for subsequent use in cheesefood and fertilizer
- Facilities for hydrolizing sugar cane bagasse for use as cattle fodder in the South

Deployment of the bond proceeds would be through the talents of local banking professionals required to research and provide the credit decision. If deployment of agri-bonds became a requirement for the banking franchise, one could expect that the institutions would acquire expertise and perhaps, hopefully, a change of attitude about lending in general to the agricultural production sector.

II. On the Development of Realistic Incentives for Public/Private Investment: Capital Formation Access and Utilization

A. The best incentive for cooperation in public/private investment is not a need for a mechanism but rather the realization that our national world has become a lot smaller. In the past fifty years, we have gone from the age of the domain to the age of the sector. Fifty years ago, a corporation or a municipality, sometimes a state and even possibly the national government, could consider itself the sole operative in a functional domain isolated from other domains by effectively empty space. No longer! Our American vastness has filled up, to be replaced with competition for resources. Whether we seek water in the West, grazing land on the high plateau, crop land on the prairie or industrially zoned land in the East, we find ourselves rubbing up against other domains to the point that we now think in terms of sectors of one domain. We now experience competition in priorities. Wherever we turn with action in mind, there we find competition among a wide variety of interest, for natural resources as well as physical and human energy. Some of this competition may turn out to be merely conceptual when we recognize the goals to be common, with only style separating the parties.

The foregoing may give an impression of some chaos as to the ordering of urban/rural priorities. A rationalization can take place in a forum where those of good will trade ideas and concerns in a context of trust and good will where interest can best be served by listening as well as presenting. In both the public and private sectors of rural and economic development there are now many voices, even in a small neighborhood. Such a forum needs to be attentive to each voice. Someone with power must make the first move by showing sufficient willingness to share that power as to be ready to accept change from without. That act of faith, properly timed and positioned, gets the process going.

That first incentive to join hands comes best from those who have no patent need to reach out - the politically or economically powerful.

B. An effective crossroads or forum concerned with public/private investment will soon bring to light a variety of sources of grants for specific purposes. These sources include a wide variety of federal and state programs as well as grants from private foundations concerned with particular social objectives. The larger the flow of ideas, solutions, problems and procedures, coupled with high skill, the more quickly economies of scale will be achieved in assembling necessary elements of particular funding proposal for the public or charitable sector. Achievement can be its own incentive.

C. The public sector now has at its disposal, a variety of structural mechanisms which incorporate capital formation incentive powers. The non-profit (501C3) corporations, industrial revenue bonds, and the new SBA 503 program are examples. A 501C3 non-profit corporation acting as the general partner of a limited partnership composed of private sector participants is a tool which can be applied to a large number of public/private investment capital formation projects. The non-profit corporate "general" can act as the shock absorber with regard to cash flow, while the personally beneficial effects of the limited partnership organization can be channeled to private sector investors who would not otherwise be attracted to the project at hand. Public money channeled into such non-profit general partner corporations are likely to be far more effective than public money spent directly in projects themselves.

Recently, the use of state income tax credits for stimulating private ventures deemed to be worthwhile for the common deal have begun to appear. This mechanism is at work in the Maine Capital Corporation to detailed below:

State income tax credits along with income tax credits for lesser governmental entities are expensive for the entity for an important reason. A dollar saved in state income tax must be a dollar added to the taxpayer's federal gross income. Thus, if the state wishes to create an incentive within its borders for some activity by giving a state income tax credit, part of its sacrifice in tax forebearance will be channeled to the federal government rather than the intended beneficiary. A state or local jurisdiction should consider this strategy very carefully, probably only using it as a stimulus for pioneering in a desired activity.

III. Way and Means of Effectively Coordinating Federal and State Investment Capital Programs (e.g., Farmers Home Administration and Small Business Administration, among others)

A. **SBA-EDA-FmHA-NOAA-DOE-HUD**.....gold mine or maze? The foregoing is a partial listing of federal investment capital programs. In addition, every state has its economic development network, usually with one or more authorities capable of providing some special kind of capital. Each entity was set up as a separate government program to produce an economic effect thought desirable by a legislative body. An enterprise seeking funds could easily spend six months and much money learning enough about each program potentially available to it to know which ones to apply to. Even then, it might belatedly discover that a particular program had used up its funding for the fiscal year, with six months to pass before more became available. There is a market for services to investment candidates who are seeking to match their specific needs with the availability of the many public sector programs and private sector sources.

Certain specific factors can be cataloged for each program so that an entrepreneurial inquiry can be quickly channeled toward the appropriate or possible solution. Among the factors are:

- Job creation requirements
- Size of investment or grant
- Compatibility of the program with other programs, legally and pragmatically
- Specific, permitted uses of proceeds
- Interest rates
- Repayment terms
- Private, matching fund requirements
- Current funds availability
- Chances of success

B. **A Model for a Public/Private Partnership.** In late 1976, a blue ribbon task force appointed by Maine's late Governor Longley reported its proposals for a new economic development partnership between the state and the private sector. Over the years, Maine had been an innovator in state sponsored economic development programs. Some of these programs have been highly successful as in the Municipal Bond Bank, and others came upon the scene before their time, as in the Development Credit Corporation of Maine. During the previous administration, a very large state economic development organization had been created, which the economy-minded Governor Longley almost completely abolished. Protests about over-zealous economies led to the task force study. Its principal recommendations involved two new organizations outside of state government.

The premise of the task force report was the accomplishment of an economic development policy requires a partnership between the public and private sectors. Further, the partnership should take the form of an institution with an action-oriented capability of putting together and implementing specific programs and business deals. The vehicle which was recommended was to be called the Maine Development Foundation. It was proposed to the legislature early in 1977 as a non-profit corporation under section 501C3 of the U. S. Internal Revenue Code. The "MDF" was to have all of the powers of a business corporation including lending, borrowing, holding property, making contracts, etc. Funding for the Maine Development Foundation was to come from three principal sources:

- Tax deductible donations from the private sector
- Matching funds from the State General Fund
- Operations as a contractor for fees

The legislature enacted the proposal and set aside matching funds for the MDF. In the fall of 1978, the Foundation began operations. Presently, the Maine Development Foundation has over 200 "cooperators" who annually contribute $250 or more, if they are private sector supports, and $50 or more, if they are public sector supporters such as municipalities, counties, educational institutions, regional planning commissions, or other public sector entities concerned with the coordination of economic development. There have been annual contributions of as much as $7,500. All of these "corporator fees" are matched dollar for dollar from the State General Fund. In addition, the Foundation acts as a change agent contractor in a variety of projects. Among these have been the identification of likely investment opportunities in secondary wood and paper processing industries; a study in conjunction with the Maine Poultry Federation to determine means of bringing feed grain east at reduced rates to enhance competitiveness with the Southeast; a study in conjunction with the State Department of Marine Resources; and a widely represented task force from the fishing industry. A typical format for these task force activities involves several large contributions from the private sector organizations concerned with economic development, who earmark the money from an MDF based task force project. The Foundation then assigns a staff member as the project leader and the Foundation acts as the center of activity.

Currently, MDF has a staff of 12 with professional qualifications in:

- Public/Private Municipal Redevelopment Operations
- Public Finance
- Private Finance, Especially Venture Capital
- Industrial Development
- Marketing
- Legislative Affairs
- Management Consulting

In addition to the development project-oriented activity mentioned above, the MDF has become a crossroads for business people seeking financing and advice and financial sources looking for investment opportunities. Early in the Foundation's existence, state government found it appropriate to make it the home of two separately funded federal programs. These are the Commerce Department Export Representative and the Field Representative for the Federal Trade Adjustment Assistance program. This conglomeration of talent and access to information has required the installation of six telephone trunk lines which are well used incoming and outgoing. The inquiries range from site location inquiries by out-of-state industries to requests for financing advice and assistance from farmers, loggers, small manufacturers, inventors, and individuals seeking to leave big city jobs and find more rewarding life styles in the state. Because MDF has attained a "critical mass" of information and capability, it is able, in nearly every case, to provide a response which makes each inquiry worthwhile. Probably the single most important service provided is saving those who have some economic development purpose in mind from time and resource-consuming blind alleys.

Example I

In the northern part of the state on a converted potato farm, a man and wife team has been trading used fire engines for fifteen years. The company (for it is now incorporated) recently developed a drop-in fire fighting package for pick-up trucks. The unit consists of a water tank, gasoline powered pump and the necessary auxiliary equipment to convert any pick-up truck into a small fire engine in five minutes. The units are very useful in sparcely settled low-income rural areas. The company had almost no business expertise and could not understand, although its sales were growing and each transaction was profitable, while it was experiencing an outward cash flow. A local bank referred the couple to MDF which paid two visits, enough to determine that the company's cash accounting system was inadequate for its growing prosperity. An accounting firm was found, books put in order, and a bank loan allowed the company to properly fund its expansion.

Example II

A small "muscle-powered tour" packager had had a very successful first summer cycling season, followed by a disastrous winter. The company arranges and leads bicycling, white-water canoeing, cross country skiing and sailing adventures in various parts of the state. Expensive promotional activity had resulted in reservations for a potentially profitable winter season which were unfulfilled for the lack of snow. Lacking adequate capital, the company was faltering badly. The MDF put the company together with a retired travel and public relations executive who has made a modest investment of funds and a major investment of advice and assistance. The company is now successful to the point of running bicycle tours in several northeastern states and the People's Republic of China.

Example III

A young man with experience in fiber glass boat building saw an important fishing boat design need going unfulfilled. After successful construction and sale of two boats in another state, he identified an ideal site for building the boats on Maine's coast. MDF assisted in putting together a limited partnership to purchase and lease to the company the facility it had identified. Later MDF assisted in finding a private equity investor to enhance the company's working capital needs.

The Maine Capital Corporation

The aforementioned 1976 task force also identified a specific capital formation need in the state of Maine. Maine has never had an identifiable source of private venture capital. As a result, out-of-state entrepreneurs starting companies or those requiring larger quarters and financing never thought of Maine as a site for their companies while some Maine firms moved away in order to find the business support they needed. The legislative package suggested by the task force presented to Governor Longley in 1977 included a venture capital company to be called the Maine Capital Corporation. Although venture funds have been put together for large sums for many years in other parts of the country, the task force determined that it would be very difficult to assemble investors in a fund in Maine on a conventional basis. Accordingly, the Maine Capital Corporation was granted a special legislative charter which made it possible to provide investors in the fund with a state income tax credit of 50% of their investment. The credit would be taken over five years so as to not overly impact state tax collections. The implementation plan for the Maine Capital Corporation was closely interwoven with The Maine Development Foundation. The Capital Corporation was conceived as an unstaffed entity to be managed under contract by The Maine Development Foundation. After the Foundation had been securely established in 1979, the organizing group for the Capital Corporation determined that the Maine Capital Corporation could and should be a Small Business Investment Company under the Federal Small Business Act of 1958. An SBIC is a key element in any public/private scheme for economic development, urban or rural. The Maine Capital Corporation is a classic venture SBIC interested in profiting from financing the steepest part of entrepreneurial growth cycle.

Maine Capital Corporation has now considered at least forty investment proposals, and at this writing, is committed to one and likely to be committed to two more shortly. In the few months since licensing, a state-wide financial community unused to venture financing has begun to think of Maine Capital as a particularly adapted source for certain situations. If the experience of other areas (Rhode Island, Vermont and New Hampshire) is any guide, the presence of venture funds will engender new business activity.

Another part of the Small Business Administration investment division's activity involves MESBIC's, Minority Enterprise Small Business Investment Companies. As will be seen from the appendix of this chapter, MESBIC's also provide venture capital for small business entrepreneurs under the unique circumstances of minority disadvantage in their communities. With a homogeneous white population and a minority consisting of some 4,000 Indians just now being enfranchised economically, Maine may see a northern, rural MESBIC soon.

The Maine Development Foundation has been provided, through the Maine Capital Corporation, with a magnet that attracts publicity and interest from the private sector. A fund which is managed on a business-like basis for profit, with a purpose of investing a developing enterprise, attracts the attention not only of active change agents in the economy but also of thought leaders who are concerned with effective bridging mechanisms between the public and private sectors.

C. Factors Requisite for Viable 5013C Development Companies. A 5013C development corporation is an appropriate response to an economic development need that is clearly felt and readily identifiable in a cohesive, political or geographical area. Obtaining tax exempt status may become exceedingly difficult under the new administration. The premises behind a quasi-public development entity are founded on the principle that a political and governmental input is often appropriate in satisfying the need of the constituency for economic development. For the concept to prevail henceforward in today's national political atmosphere will require a clearly identifiable need, where "market force" solutions alone will not suffice. If one views such a development corporation as an economic development cooperative, one need not search far for important antecedents. The rural parts of our country are very familiar with agricultural and electrical cooperatives.

Another requisite for a successful non-profit development corporation is an atmosphere of communication between the public and private sectors. Usually the condition will be met when a few key leaders in the community understand on both sides, that they have something more important to gain by quiet cooperation than they might lose through noisy disagreement. Sometimes this probability of transaction arises from stark need. In the city of Boston, in the late 50's and 60's, a group of businessmen and municipal and state government officials was formed at the suggestion of a businessman who recognized all of the factors needed for a viable public/private corporation. The group met weekly in a lower level meeting room at a local bank. As a result, the group became known as "The Vault." Through the mediation efforts of this group were born the changes in zoning and taxation regulations coupled with the daring financial departures necessary to create what has become known as the New Boston. The core decision dealt with taxation during construction of the city's first major downtown renewal project. Such public/private joint venturing has been repeated many times since, and should set examples for rural coalition-building. Non-profit development corporations operating with methods comfortable for the private sector require a measure of regulatory restraint and trust which is usually hard to elicit but worth the effort.

A public/private development corporation is a new venture without the promise of income statement profits. As such, its early days are difficult to finance. I expect that the seed dollars can come from either side but suspect the quickest and most effective means of moving off the starting line are with a few public dollars raised in the enabling legislation of the organization itself. This money, to be numbered in the few tens of thousands of dollars, should be for organizing an entity and providing a minimum staff to prepare for fund-raising. No operational or program dollars should be provided at this point. If there are, count on someone in the governing group or on the staff to suggest further appropriations thereby shortcutting the crucial matching public/private fund raising process. The principal virtue of this funding scheme is that it constitutes an ongoing referendum with financial ballots. If the corporation cannot prove its value to the satisfaction of donors who, after all, are giving 50 cent dollars from their cost point of view, then the rest of society should not be forced to support the enterprise through taxation. Too much public pump-priming at the beginning will only induce an early case of bureaucratic lattitude and subsequent loss of private sector interest. A final factor in insuring a successful public/private development corporation is people. A job commitment to such an organization should be somewhat risky. It should not be thought of as a permanent career haven, but rather as a growth step to be taken after previous considerable growth. Such conditions will automatically presort applicants, leaving those most likely to be committed intellectually to the concept. Distribution of talents amongst the personnel should be reasonably balanced so that the group operates as peers.

IV. Provision and Development of Appropriate Technical Assistance for Sustaining and Developing Local Economic Development Ventures

A. **Education.** In today's segmented society, it is difficult for young people to understand the econmic niche occupied by their elders. This is especially true of professionals who deal in intangibles in the worlds of education, law, finance and much of business management. Educating the young in the principles of business was once something that took place automatically in a time when the work place and the home were one or were close together. Many young people today display a vague sense of unease with the concept of business profit. They do not relate a business profit to the concept of individual savings after all personal expenses have been taken from income. For the long term, elementary and middle school education must contain components consisely put there to make these facts clear. In junior high and high school there may now be emerging a unique opportunity to restore awareness in young people of the economic and business equation as small computers proliferate on the education scene. Business problems can become fascinating case studies.

B. **Business Extension Services.** At a time when a much larger portion of American enterprise was agricultural, we established strong university extension services that now network the country with information and assistance from state universities to individual practitioners. However, our extension services no longer match the needs which exist today. While not wishing to detract from that which is offered, I suggest that the dollars invested in supplementing agricultural extension services with business extension services would be well spent. The Small Business Administration has made a start on this with their SCORE and ACE programs and their Small Business Assistance Centers at land-grant universities. If the new administration is serious about building up the country's productive capabilities, a part of that purpose must be long term. This must mean not reductions in support to the growing university extension movement, but increased support, geographically and programmatically. A would-be entrepreneur ought to be able to travel no more than forty miles to reach some sort of center where he can obtain answers to such questions as, "Here's my idea of a business. Should I start now? How do I start it? What should I look for? What should I avoid? How do I write a loan application?" The advice and answers should be free at the outset, with a small installment fee or royalty to be paid later, in the event the company survives and prospers.

C. **Technical Assistance Entrepreneurs.** The business assistance centers called for in the foregoing should be staffed with a newly created core of case officer/packagers who have been specially trained to provide initial and ongoing assistance to would-be entrepreneurs. These "technical assistance entrepreneurs" would be governmentally employed but would enjoy performance incentives derived from royalty payments by successful cases.

As an example of the workings of this scheme, a rural entrepreneur might be approached by a firm which manufactures equipment for making methane from animal wastes. Let us assume that the manufacturer wishes to place his equipment in the field on a joint venture basis in which an entrepreneur provides housing, the raw material supply, management, working capital and marketing. The entrepreneur might have a conviction that the methane and by-products represent a worthwhile new business but he might not possess the analytical tools to prove this even to himself or to those he must enlist for finance and other backing. The local technical assistance entrepreneur could be engaged to help him analyze the opportunity. If indications are favorable, the technical assistance entrepreneur and businessman would package a deal and effect the establishment of an installation. This help would be on the understanding that the technical assistance entrepreneur would receive a defined royalty on sales or earnings for a specified period of time.

D. **A New Demand on Banks.** It may be time for a new quid pro quo for the banking franchise. As major banks move into the countryside, we should consider requiring them to bring appropriate banking specialists for the areas to which they expand, in return for their privilege of generating consumer and small business deposits. These specialists might well be the banking equivalent of the technical assistance entrepreneurs mentioned previously. Many perfectly bankable situations go unfinanced because local banks do not understand the proposed business.

V. Initiation of a National Education Training and Technical Assistance Program for Diversified Rural Finance Development and Management

The technical assistance entrepreneurs mentioned above would be the principal product of a new program leading toward training in technical assistance for rural development.

A. **Call to Action.** The first goal in this program is to broadly disseminate a recognition of the need to provide a cadre of talent that is more than a financial or banking capability. The individuals needed in place will have a blend of personal experience in production, operational knowledge, marketing, financial controls, planning, grantsmanship and government regulatory relations.

B. **Masters of Rural Business.** To provide the technical assistance entrepreneur program with an educational base, a needed degree course should be instituted for land-grant universities. The "MRB" programs would be a blend of the familiar business school curriculum and a technical grounding in rural enterprises ranging from agriculture to forestry to transportation, energy and services.

C. **Attracting Potential MRB Technical Assistance Entrepreneurs.** To create a demand for the new degree candidates, there should be assembled cooperatively matched funding for their future positions. Every level of government should be expected to make a contribution, and provisions should be made for tax credit funding by business. It should be understood that the technical assistance entrepreneurs will be working toward incentives for performance to be paid by their future clients. A revolving fund should exist for the tuition and other education expenses of "MRB's." MRB's would be expected to repay their education loans from incentive payments.

4

Balancing Technological and Human Resources Development: A New Priority for Rural America

ROGER BLOBAUM

Rural America has had a long love affair with the wonders and marvels of scientific discoveries and technologies. Advances ranging from farm mechanization and hybrid seeds to computers and pesticides have had an enormous economic and social impact on rural and metropolitan areas alike.

The adoption of new mechanical and biological-chemical technology brought revolutionary change to agriculture, where capital and energy-intensive inputs and scientific knowledge were substituted for physical labor and land. Agricultural output per hour of labor has increased nearly 6 percent a year since 1950, more than double the rate for all new industries.[1] New technologies have brought similar, thought less dramatic, gains to lumber, pulpwood, coal, and other resource-based rural industries.

Those changes also contributed to the long decline in employment in farming, mining, forestry, and other rural industries. Farm numbers declined from 5.6 million in 1950 to 2.6 million in 1979, for example, and total agricultural employment dropped during that period from 7.2 million to 3.3 million. The number of coal miners employed in 1975, despite rapid expansion of mining following the oil embargo, was still only about half the number employed 25 years earlier.

The main response to these reduced employment opportunities, particularly by young and minority workers, was mass migration to large industrial centers. More than 30 million people migrated from rural to metropolitan areas beginning in the 1940s, sapping the economic vitality of rural communities and contributing to congestion, pollution, unemployment, and other social problems in urban areas.

Growing concern over the impact of this movement to the cities eventually brought a political response, including rural development studies by two Presidential task forces and enactment in 1972 of the Rural Development Act. The limitations of federal rural development efforts were described by Lynn Daft, who noted that rural development emphasized program rather than policies.[2] "Despite a multitude of programs, each with its own administrative machinery and clientele, there is no overall agreement on end objectives," he wrote. "Each program goes its separate way, sometimes complementing the activities of other programs, sometimes working at cross purposes."

Fortunately the rate of population growth of nonmetropolitan counties had exceeded the growth rate of metropolitan areas by 1970, making the new federal effort less critical. The change in the profile of the rural workforce was described later in the Rural Policy Statement

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issued by the Carter Administration:

> Rural employment, previously declining and historically tied to the land, is now growing and diversifying. Not only are new jobs being created at a faster rate in rural than in urban areas but the composition of rural work itself is changing. Although agriculture is still the dominant influence in many rural economies, overall, employment in manufacturing, trade and professional services now exceeds direct agricultural employment.[3]

Although net outmigration was reversed early in the 1970s, the search for better ways to balance technological and human resources development in rural areas continues. This paper will identify new technologies likely to be adopted in rural America in the 1980s, discuss some issues relating to their impact on human resources, and suggest some ways that education can help achieve a better balance in the future between the adoption of technology and human resources development.

Technology, which is often defined in terms of hardware, is used here to mean the application of both mechanical and scientific knowledge. Human resources development is an effort to use educational and other assistance in developing a trained and productive workforce, including professionals and operators of individual enterprises.

A number of mechanical and scientific technologies are likely to impact rural America in the 1980s and beyond. Several are described as "appropriate technology," a relatively new term that usually involves labor-intensive alternatives. Some in the biological-chemical category, which became important earlier, are still producing new techniques and products that will have an impact in the 1980s and beyond. These include growth inhibitors, defoliants, and delayed-release fertilizers.

The list of newly-emerging technologies expected to impact rural America in the 1980s includes closed-environment production, energy self-sufficiency, municipal waste utilization, renewable fuels, telecommunications, alternative farming systems, and genetic improvements. Some of these technologies are related to energy constraints, including rising prices and the possibility of shortages and interruptions. Others respond to environmental resource, and local control concerns that have been developing recent years.

Although the impact of this list of technologies on human resource development would be mixed, the net effect would be a leveling off of the trend toward substitution of technology for labor in rural areas. Some like energy self-sufficiency and production of biomass fuels would create new employment opportunities in rural areas. Others like closed-environment production systems, while requiring new types of skills, would have a net effect in most cases of reducing labor requirements.

Future Rural Technologies

This section will describe new technologies likely to be important in rural areas in the 1980s. It will briefly discuss the possibilities for wide adoption, the likely impact on the number and kinds of jobs in existence, and new employment opportunities likely to result.

Controlled-Environment Production. This technology provides production under the highly-controlled conditions created by greenhoses, livestock or poultry confinement units, and similar operations. These capital-intensive units produce most of the nation's poultry and eggs, for example, and about one-fourth of the nation's hogs.

A simple extrapolation of trends indicates that nearly all of the nation's hogs will eventually be produced in large and very large factory units.[4] These hog factories utilize antibiotics for disease control, have special buildings and equipment, tend to sell directly to packers rather than through public markets, and can produce 5,000 hogs a year and up with only two or three workers. This production replaces hogs formerly produced on smaller diversified farms that were unable to survive periods of low prices. The main employment impact is making it more difficult for small operators to resume hog production at a later time.

Some controlled-environment technologies, like large-scale greenhouse production, can create a large number of new jobs in rural areas where vegetables, flowers, and other high value crops have not been grown commercially. It is particularly adaptable to rural areas close to urban centers. Its main purpose is off-season production rather than industrialization of an agricultural production sector for labor-saving or related purposes.

Researchers also are learning to grow shellfish and other seafood economically and reliably in controlled-environment aquaculture.[5] This technology may develop fairly rapidly in response to nutritional needs, water shortages, fear of toxic substances, and related research on things that have not been cultivated previously in water.

The technology of transportation, including refrigerated trucks using interstate highways, has been the most significant factor in removing the need for farmer proximity to consumers. It has made it possible for a high -mechanized, year-around, fresh produce industry to flourish in states like Florida, Texas and California. The time is rapidly approaching when off-season greenhouse production in cold climates will be profitable for these crops.

The commercial greenhouse industry has made considerable progress in fuel conservation and controlled-environment production is becoming competitive with shipped-in produce. Developing greenhouse complexes adjacent to industries that produce waste heat can help them become more competitive. A 5,000 square foot solar greenhouse in Cheyenne, which has not required any supplemental heat through three winters, is demonstrating possible commercial application of this energy-saving approach.[6]

Energy Self-Sufficiency. The Department of Agriculture has proposed a goal of net energy self-sufficiency for production agriculture by 1990 under conditions that sustain productivity.[7] This would be done by making production more energy efficient and by developing and applying alternative sources of energy. A long-range USDA research plan has identified 27 use categories where energy reduction is possible.[8] The categories with greatest potential are identified as irrigation, tillage, crop drying, greenhouse heating, space heating of livestock and poultry buildings, and water heating for dairies.

Most of the commercial energy systems being developed have not been widely demonstrated on working farms. The main government-initiated demonstration is a program that began in 1978 and now involves model projects on about 90 farms.[9] This on-going USDA effort is testing systems designed to reduce fossil fuel consumed in drying grain and other crops, heating livestock and poultry buildings, and heating and cooling greenhouses.

Several low-cost systems have been demonstrated by the Small Farm Energy Project, a national research and demonstration project carried out over a three-year period in northeast Nebraska. It provided technical and other assistance to 24 farm families to help them adopt a wide range of energy-producing and energy-saving technologies. It is unique because the farmers themselves were involved in selecting and designing energy systems, purchasing construction materials, and building and maintaining them.

Experience with the project suggests that farmers with no previous experience with energy alternatives can utilize their skills and ingenuity in designing and constructing a wide variety of projects.[10] Owner-built projects constructed included three types of solar water heaters for dairy barns, an attached solar greenhouse, three types of solar grain dryers, several types of solar vertical wall collectors, a portable solar collector used for home heating and grain drying, two types of compost turners, solar food dryers, and a roof-mounted collector with storage on a farrowing barn.

The results suggest that large numbers of farmers could construct low-cost systems that are reasonable reliable, are not too complicated, have relatively short payback periods, can be retrofitted to existing buildings, are made from materials obtained from local businesses, and that require a minimum of maintenance. There also is evidence that many other farmers would have systems of this type constructed on their farms if local energy contractors were available.

This approach also is being demonstrated successfully in the San Luis Valley in South central Colorado, where more than 600 low-cost solar systems have been retrofitted on homes, schools, and businesses.[11] Solar enthusiasts estimate this six-county area, the nation's most solarized rural area, will be obtaining 20 percent of its energy from solar sources by 1985. This solar activity supports about 20 permanent, most skilled, jobs that range from architects and designers to contractors and dealers.

Constructing systems of this kind will create jobs and more business for local hardware stores and lumberyards that stock glazing materials, thermostats, fans, heat resistant paints, and other materials. It also would be in business, as television and CB radio repair persons are now, to service these energy systems.

More complicated factory-built systems also are becoming available in rural areas. Local dealerships also will be needed to sell and service these solar, wind, methane, alcohol, and mini-hydro systems. In addition, a large share of the 21 million homes in rural areas will need wood-burning stoves or furnaces, solar retrofits for space and water heating, or other energy producing systems.

No estimates are available on the number and kinds of jobs that a move toward energy self-sufficiency in rural America could support. A study of 10 model community-based energy projects, including five in rural areas, suggests that it would generate thousands of new jobs and provide a financial base for hundreds of new small businesses.[12]

Several government-funded studies, however, have examined employment opportunities likely to be generated in making a national transition to solar in the 1980s. A MITRE Corporation report concluded, for example that meeting the federal government's goal of 2.5 million solar heating, cooling, and hot water systems by the mid-1980s would increase the number of direct solar jobs to 66,300 by 1985.[13] A 1979 study prepared for a Congressional committee estimated 3 million jobs could result if the national made a massive shift to solar in the 1980s.[14]

Municipal Waste Utilization. Applying sewage sluge, paunch manure, and other organic wastes to agricultural land at agronomic rates is an emerging technology that is economically feasible when close-in farmland is available and the content of heavy metal and toxic organic compounds does not exceed acceptable levels. The value of these wastes as a fertilizer supplement and soil amendment has been demonstrated in hundreds of rural communities.

Most of these wastes in urban areas are still being burned in incinerators, landfilled, or dumped in the ocean. Land utilization can be accomplished without increasing costs, in most instances, and the economic feasibility is expected to improve as energy prices continue to go up.

An assessment of the feasibility of applying these wastes to agricultural land in a 3-county Midwest region showed that nearly all the fertilizer required annually on more than 80,000 acres of cropland could be met by the year 2000 by applying compost made from all the sludge, paunch manure, and stockyards manure available from that region's urban sources.[15] The soil conditioning benefits included increasing the water-holding capacity of light soils to make them more drought resistant, increasing the organic matter in heavy soils to increase air and water permeability, and a reduction in soil compaction and erosion.

All of these wastes can be composted in rural areas where they are generated. Sludge also can be injected into the soil with special equipment or applied on the surface and worked in.

This technology would create new employment on a year-around basis for workers needed to assemble and/or compost wastes, truck them to farms, and apply them to the land. They also can be composted to make them storable, easier to handle, and more marketable. These operations could be operated by municipalities or by private firms that had contracts with the government entity responsible for waste management.

Renewable Fuels. The production of energy from biomass is emerging as an important new technology with high potential for creation of new jobs in rural America. This stored energy is available from wood, grasses, agricultural crops and their residues, animal wastes, and municipal sold waste. It is estimated that up to one-fourth of the nation's energy could be produced from biomass conversion by the year 2000.[16]

This stored energy can be converted at rural sites, including farms, into liquid and gaseous fuels, thermal energy, and electricity. The biomass forms considered most promising for supplying energy in the near future are wood for gasification, alcohol fuels production, and direct combustion; grain and sugar crops for alcohol fuel production; animal manure for anaerobic digestion, and municipal solid waste for direct combustion. Energy also can be obtained from unconventional types of biomass like oil-bearing crops, arid land and native rangeland plants, and acquatic weeds.

Wood burning is the largest current use of biomass fuel and firewood production provides a growing number of rural jobs. But an estimated 900 million gallons of gasohol, a blend of 10 percent alcohol and 90 percent gasoline, was sold in service stations in 1980. A recent analysis by the Congressional Office of Technology Assessment indicates up to 18 billion gallons of gasohol could be produced without creating serious environmental problems or running up food prices. Production of methane in anaerobic digesters is being demonstrated on a growing number of livestock and poultry operations and municipal solid waste is being used for fuel in several city-owned power plants.

Gasifying cobs and using the low BTU fuel produced to generate electricity at community-level power plants is another alternative being considered. An estimated 36 million tons of cobs are produced in a good year in the Corn Belt. If long-term contracts at $15 to $25 per ton for cobs delivered to local power plants were provided, the annual value of corn produced in the 10-state region would be enhanced by the $540 to $900 million. This would create new jobs in small communities and increase the value of corn by 11 to 17 cents a bushel.[17]

The OTA report concludes that biomass energy development in most cases will be more labor-intensive than the increased used of oil, coal, or other conventional fuels and will result in more jobs per Quad of energy produced. These jobs, it notes, are likely to occur in agriculture and forestry, in small and medium-sized conversion facilities such as alcohol fuel plants.

Employment in harvesting, conversion, and related sectors also is likely to be highly dispersed, avoiding the public service impact and problems of secondary development that can be associated with centralized development of fossil fuels in rural areas. "Rather, in rural areas currently experiencing unemployment and underemployment, the increased resource management and capital investment associated with biomas energy are likely to be welcomed," the OTA report stated. "These factors should make it easier for rural areas to plan for and achieve long-term economic growth."

Telecommunications. This complex package of technology includes a growing list of information systems that ranges from computers and cable television to hand calculators and space satellites.[18] These systems have the potential to bring a flow of new information, increased information-processing capability, and automation to even the most remote farms and businesses in rural America. They may approach rural free delivery and radio in terms of their importance in the delivery of information to rural people.

The list includes moisture sensor systems that can be used to regulate the flow of irrigation water, for example, or more complicated devices that monitor and control the systems involved in controlled-environment production. A computerized agricultural control system has been patented by a University of Pennsylvania electrical engineer who stated that it would increase production, conserve energy, reduce pollution, and increase safety.[19]

Although communications technology is likely to displace few jobs in rural areas, it will give urban-based industries a choice of relocating or establishing branch plants in a rural setting. It also widens the opportunity for training and education, including access to data banks and to Plato and other educational packages that can be utilized through home computers. It will stimulate economic growth because it can, in effect, give rural America access to all the information systems now available to metropolitan areas.

The positive response of people in rural areas to CB radio suggests other new telecommunications system will be well received. CB has added a positive dimension to social life and augmented safety and security in rural areas.

Alternative Farming Systems. There is much more interest in alternative farming systems now than at the beginning of the 1970s, when a model farm of the future was featured in a national magazine. This highly-specialized superfarm had livestock and poultry production underway in high-rise buildings and radio-controlled and totally-automated machines that worked fields several miles long without a wheel toughing the ground. This vision of agriculture's future assumed an unlimited amount of low-cost capital, unlimited amounts of cheap energy, and unlimited adoption of laborsaving technology. It is generally agreed that something more labor-intensive is appropriate for the 1980s and beyond.

One alternative technology being demonstrated in rural areas is organic farming, an approach that was endorsed as a feasible alternative in a special report prepared under the direction of the Science and Education Administration, an agency of the U.S. Department of Agriculture.[20] Organic farmers use crop rotations and other practices to control weeds, insects, and other pests and avoid the use of nitrogen fertilizer and other agricultural chemicals. The fertilizer requirements on organic farms usually are met with livestock manure, nitrogen-fixing legumes in crop rotations, and purchased organic fertilizers.

Another alternative technology being adopted by an increasing number of farmers is minimum tillage, a method in which unnecessary field operations in crop production are eliminated, crop residues are left on the surface, and chemicals are used to help control weeds.[21] It may involve little more than substituting chisel plowing for moldboard plowing, leaving crop residues on the surface, and using herbicides to control weeds. Or it may involve a complete changeover to no-till, where the land is not plowed at all and only a small strip of soil where the seeds are planted is disturbed.

The main advantages are fuel savings that can run as high as five gallons per acre with a no-till system, reduced wind and water erosion, increased soil moisture, less soil compaction, and time and labor savings. The disadvantages include a possible increase in weed and insect problems and some need for different tillage and planting equipment. Minimum tillage also is not appropriate for some soil types, may delay soil warmup at planting time, and may result in yield reduction.

The first major study of organic farming, which compared economic returns and energy intensiveness of a group of organic and conventional farms in the Cornbelt, showed that crop Yields were roughly comparable, that the value of all crops produced was about 11 percent more on the conventional farms, that operating expenses were considerable lower and labor requirements about 10 percent higher on organic farms, and that net returns from both were about the same.[22] This three-year study also concluded that the organic farmers used about 40 percent less energy than the conventional farmers, mainly because they did not use commercial fertilizer and other farm chemicals.

Organic farmers usually receive price premiums on production marketed through an alternative system that included health food stores and food cooperatives in urban areas. This requires extra work, like cleaning and bagging grains, and some farmers also add value by grinding flour or rolling oats. The net effect is an increase in farm-based employment and retention on the farm of some of the marketing and processing income that normally goes to middlemen.

Organic farmers tend to have somewhat small and more diversified operations than conventional farmers. There also is evidence that commercial-size organic farmers are more likely to be fulltime operators and to work fewer days off the farm. This suggests that organic farmers would be less likely to compete for new jobs in rural areas.[23]

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Rural Land Use: A Need for New Priorities

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THE CHANGING CONTEXT OF RURAL LAND USE

Of the 2.3 billion acres in the United States, about one third is owned by the Federal Government. Another 300 million acres are in metropolitan counties--Standard Metropolitan Statistical Areas as defined by the Census Bureau.[1] Most of the remaining land (1.3 billion acres--60 percent of the total) is privately owned--and for want of a better term, is usually called rural.

Perhaps it would be more appropriate to think of this land as America's "working landscape." It produces most of the nation's food and forest products. It plays a key role in providing minerals and energy products. Its aquifers and reservoirs are essential to water supplies, both urban and rural. And it is the place where, after decades of decline, more and more people are electing to work and live--not on farms, but in subdivisions, factories, stores, hospitals, schools and in libraries not much different (save perhaps in size) than those in the suburbs of large cities.

Although constituting most of the nation's land, this privately owned landscape only occasionally becomes the focus of much public concern. Probably the last time that this was the case during the dust and depression-ridden 1930s. The sense of national emergency that followed the Dust Bowl and the collapse of the rural economy, stimulated new programs to conserve the soil of America's farmland, and new agencies were created to bring new development and economic vitality to rural communities.

Yet, after an initial flurry of activity, the working landscape began to recede as a topic of public concern--perhaps for good reason. By the mid 1960s, U.S. agriculture was producing unheard of surpluses on considerably less land than at the end of World War II. The soil and water conservation programs that had been put in place three decades before seemed in the opinion of most observers, to have ameliorated the conditions that created the dust bowl. And, almost everywhere in rural America, people were leaving farms and small towns for the city. With the exception of areas within commuting distance of urban centers, some of which found themselves growing explosively, most small towns were confronted with the problem of attracting new development.

Yet there are some compelling reasons to believe that the land base will once again become the subject of widespread concern in the 1980s. For fundamental changes are occurring in rural America which could have significant implications for the "working landscape."

To begin with, the U.S. needs the products of this area in quantities and ways that are wholly unprecedented. Once agriculture could use up land and move on; today, according to the U.S. Department of Agriculture, there are only 130 million acres of land not currently in use that

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Wendell Fletcher and Charles E. Little, American Land Forum

could be easily be brought into production. At the same time, the need for increased productivity–for food to sell abroad to off-set oil import costs, and, more recently, to produce biomass feedstock for conversion into fuels and energy–is going to add pressures on the land base. Other products–lumber, fossil fuel resources and minerals–compete for much of the same land. Strippable coal underlies some of the most fertile corn-producing acreage in the country.

Elsewhere, energy development competes not only for the acres, but indefinitely by requiring the same water needed for irrigation agriculture and the burgeoning urban populations of the Sun Belt.

During the 1970s, for the first time in memory, more people moved into non-metropolitan counties than left them. In fact, the influx as great enough to boost the rate of population growth in these counties above that of metropolitan counties for the first time: 11.4 percent over the decade, as opposed to 6.1 percent in metropolitan areas was twice the rate of metropolitan area job formation. And this growth has not been simply an extension of the urban fringe into the more distant countryside, as some initially suspected. Of the 1450 counties between 1970 and 1975, 850 were not adjacent to metropolitan areas.[3]

The ways in which small towns and rural communities respond to the new growth and development is clearly a major environmental and land use concern. In absolute numbers, to be sure, metropolitan areas still gained the greatest number of people during the 1970s–8.3 million as compared to 7.1 million in non-metropolitan areas, which constitute just 14 percent of the country's land area.

But, many non-metropolitan areas are already contending with land use conflicts and development pressures similar in nature, if not in intensity, to those previously found primarily on the fringes of large cities. One recent study estimated that 350 rural counties were growing at rates beyond the capabilities of local governments to contend with in terms of land use planning, provision of services and facilities, and the like.[4]

If rural communities find effective means to guide new development, the impact of the environment may not be that great. But if a laissez-faire attitude towards new growth predominates (as was the case in many suburbs during the 1950s and 1960s), a rural variant of urban sprawl may spread itself – albeit thinly – across a far wider landscape than is now the case. Relative to more compact settlements, this could result not only in growth problems typically associated with urban sprawl (such as relatively greater air and water pollution, higher energy expenditures associated with transportation, greater public and private expenditures for infrastructure and services) but also in a more pronounced effect on the rural landscape and traditional rural activities such as agriculture and forestry. Unlike the suburbs, where agriculture and other traditional activities are largely transi-tional, the essential economic functions of the nation's working land base must be maintained.

Taken together, the new demands being placed on rural land base–for agricultural production, for energy and minerals, as well as for economic development–are considerable, and rural areas today face a difficult challenge: to find ways to accommodate new growth and development while at the same time assuring that essential activities and the inherent values of the landscape are not greatly impaired.

A number of issues related to rural land resources are likely to be of key importance to rural America during the coming decade: these relate to agricultural land retention, soil stewardship, mineral and energy development, water resources and habitat and scenic values. These are not the only land resource issues confronting rural America, but they are quite clearly issues that are of great importance in many rural areas which, one way or another, will need to be addressed in the years to come.

Farmland Protection

"Farming no longer dominates rural life," concluded a recent study by the U.S. Department of Agriculture on the "structure" of U.S. Agriculture.[5] And that conclusion is backed up by some impressive statistics. Just 30 years ago, agriculture was the major source of income in two thirds of the country 's 3000 counties. By the mid-1970s, agriculture provided 20 percent of personal income in less than 700 counties--most of them clustered in the mid-West and the Northern Great Plains. In non-metropolitan America as a whole, manufacturing, wholesale and retail trade, and professional services each accounted for more than twice as many workers as agriculture.

This transformation in the economy of most rural areas has been accompanied by a major increase in the conversion of farmland to non-agricultural uses--a circumstance that is prompting concern in most regions of the country. This is reflected by the fact that protection of agricultural land was seen as a high priority issue in each of the rural regional workshops held by the Institute for Work and Learning in 1980. According to the recently completed U.S. National Agricultural Lands Study (NALS), about three million acres of agricultural land are lost to development each year.[6]

Less tangible than actual acreage diverted to non-agricultural uses, but probably of equal importance, are the "spillover" effects of urban land uses on local farm economies. In many areas, local farming begins to falter long before new subdivisions appear. As speculative buying of land begins, many farmers sell out or stop making long term investments in their farms. Support services may go out of business or move elsewhere. When the subdivisions do appear, farmers may find that their new neighbors regard essential farm operations as a nuisance, and local restrictions may be imposed on ordinary farm activities.

Conflicts between industrial uses and agriculture may also arise. One particularly significant issue--brought up strongly at the Institute for Work and Learning, Michigan and Maine's regional workshops--concerns the dumping of hazardous wastes on rural land. Without special precautions, hazardous waste disposal can result in contamination of land and livestock.

Farmland conversion was once considered to be just an open space problem on the fringes of large cities. It is now seen as a far more prevasive problem which may, over the long run, reduce the capacity of the nation to meet long range demands for U.S. food. In the last decade, U.S. food exports have tripled, and have become a major factor in offsetting balance of trade deficits. To meet this increased demand, farmers have brought a great deal more land into production. Relatively little land (about 130 million acres) remains in reserve. Some projections suggest that, if current trends continue, the U.S. could cease to be a food exporting nation in fifty years.

The effects of rural population growth are another factor. Once largely limited to the fringe of major cities, farmland conversion is now occurring in a scattered pattern in many areas of rural America. In some areas, it is occurring with a rapidity characteristic of the suburban growth. In others, a scattered overlay of development is evident.

Concern about farmland conversion is prompting numerous state and local programs to protect farmland from haphazard development. Beyond property tax relief programs, which are generally considered to be inadequate to abate land conversion pressures in and of themselves, two states--Oregon and Wisconsin--have adopted statewide farmland protection programs that provide guidelines for local zoning. About 104 counties and 166 municipalities have adopted agricultural zoning, according to the National Agricultural Lands Study (NALS).[7] In addition, several areas (mostly in the Northeast) have programs to purchase development rights to farmland. Under this approach, landowners keep title to the land, and can continue to use it for agriculture, but after compensation, relinquish their options to develop the land.

How are these programs working? NALS, which has conducted the most comprehensive survey of the programs to date, concluded it was too early to judge zoning: a well designed program could be effective if "agricultural zones were carefully laid out on the basis of accurate and complete data on soil productivity," but that "zoning is vulnerable to change if there is a shift in political power."[8] State oversight of local zoning can provide greater permanance, but there are relatively few states where this is a politically realistic option.

As for purchase of development rights, NALS concluded that such programs are generally prohibitive because of their high costs. In areas where development pressures are intense, it can cost several thousand dollars an acre to purchase farmland development rights. Moreover, since it is generally only possible to buy development rights to a small amount of land, development may occur around farm parcels and make them difficult to farm.

While it is clear that zoning (mutable but cheap) and purchase of development rights (permanent but expensive) can be effective under the right circumstances, not every community will find these techniques appropriate.

For example, it is often not enough to just protect farmland from development: emphasis on protecting the activity of farming may be required. Agricultural districting–based on the premise that urban and other uses should not interfere with agriculture–has been used in New York for some time, and is now being adopted by other states.

Moreover, except in a few cases, farmland protection programs often have not addressed the other side of the equation: the crucial problem of directing new growth to its most appropriate location. Oregon's statewide land use program is an exception. It is designed not only to protect farmland, but also identifies urban growth boundaries where new development will be encouraged.

Another important farmland protection issue concerns the role of the federal government. Federal and federally assisted programs and projects have, in many cases, inadvertantly encouraged conversion of prime agricultural land even when less valuable land has been available. Two federal agencies (the Department of Agriculture and the Environmental Protection Agency) have recently adopted internal agency policies designed to minimize the impacts of their own actions on farmland. The NALS strongly recommended that other agencies follow suit.

Beyond the effects of federal activities themselves, there is the question of whether the federal government should provide financial and technical assistance to states and localities interested in establishing their own farmland retention programs. Very modest legislation of this sort–designed to assist local demonstrations of innovative farmland protection approaches–was proposed in the 95th and 96th Congress, but has yet to be enacted.[9] Quite clearly, many localities could use such help.

Soil Stewardship

In the 1930s, a combination of drought, depression and soil-destroying agricultural practices brought the problem of soil erosion to national attention. President Franklin D. Roosevelt put the matter in stark terms: "The nation that destroys its soil, destroys itself." A sense of emergency about soil degradation led to the establishment of the Soil Conservation Service (SCS), and a nationwide program to conserve soil resources that has been in place ever since.

Despite the expenditure of $15 billion at the federal level in the interim, soil erosion has continued to be a major agricultural problem. But as memories of the Dust Bowl began to recede, it has become in may ways a hidden problem.

After World War II, and up until the early 1970s, routine crop surpluses–made possible by technological advances and good weather–masked the continuing effects of erosion. Moreover, the early efforts by SCS, and the local soil and water conservation districts that were set up to help farmers install conservation practices were very successful.

But the problem has not gone away; in fact, according to the 1977 National Resource Inventories,[10] conducted by SCS, water erodes four billion tons of soil from the country's land base each year. Wind erosion takes additional soil. Although it is difficult to quantify lost production from erosion, USDA estimates that potential corn and soybean yields on some Mid-western soils could be reduced by fifteen to thirty percent by the year 2030. According to a recent report by the National Association of Conservation Districts, present erosion rates may be having the effect of removing from production the equivalent of one million acres of cropland per year.[11]

Moreover, runoff from agricultural land is causing significant water pollution problems: the sediment carries organic matter, pesticides, and other agricultural chemicals into water bodies.

Dealing with the twin problems of soil erosion and water pollution from agricultural practices will be difficult. In response to increasing demand for agricultural products, many farmers have removed conservation shelter belts and other conservation practices begun decades ago. Moreover, the ever increasing size of farm equipment has made it difficult for farm operators to work on terraces, contour rows, and the corners of fields; as a result many traditional soil conservation practices are being abandoned.

The sudden interest in "gasohol"–ethyl alcohol mixed with gasolene–is another potential problem. Some gasohol proposals would involve processing stubble and other crop residues which would normally be left in the field. Unless carefully monitored and controlled, this could result in greatly increased erosion problems in some areas.

The fact that soil erosion continues to be a major problem in this country is causing reassessment of agricultural conservation programs that have been in effect for decades. Under the 1977 Soil and Water Resources Conservation Act, the U.S. Department of Agricultural is providing a great deal of new information about soil and water resources. The recently completed "agriculture structure study" came up with a number of policy recommendations that seem quite reasonable in the light of current and past trends:

- the need to target federal cost-share funds to areas and farms where erosion is the most severe;
- the need to divert agricultural land that is experiencing critically high rates of erosion from production for sufficiently long periods of time to restore the land;
- use of conversion achievement incentives.

Energy and Mining

Rural areas are no strangers to mining and energy development projects, but the redoubled efforts to increase domestic energy production, and assume national supplies of strategic minerals are adding a dimension of conflict in rural life that is unprecedented:

- In Minnesota, farmer opposition to construction of a transmission line that crossed their farms was so vehement that guards had to be posted along the entire route.
- South Dakota's attorney general predicted that federal marshalls would be needed to protect a proposed coal slurry pipeline from farmers outraged by the project. The pipeline was never built.
- The small Colorado village of Crested Butte has mounted a multi-year campaign against a mining company's proposal to dismantle part of a nearby mountain that serves as a backdrop to the town. So far, they have succeeded.

The problem posed by these examples is a vexing one. There is a perceived national need for increased energy and mineral development, but the impacts of that development are not evenly distributed; they hit rural America the hardest. During the 1970s, many small towns in the West became "boomtowns" almost overnight, as hundreds and sometimes thousands of workers were drawn to a project. Many of these towns, lacking the planning skills to contend with even moderate new growth, suddenly had to grapple with problems such as acute housing shortages, traffic jams, inadequate public services, skyrocketing inflation and crime rates and too few doctors.

In addition to the boom, there is the problem of the bust that may follow. Construction of a new power plant may bring 2,000 people into a town to work on a project directly, along with several hundred others to provide support services. But, once constructed, only a few hundred employees may be needed to actually run the operation.

Fortunately, Western states are becoming more adept at dealing with the impacts of energy developments--through a variety of state programs aimed at energy impact assistance. But there can be no doubt that major projects radically change the character of Western communities affected by them.

Although receiving less attention, the social and economic impacts of coal mining in Appalachia are also important. The Appalachian Regional Commission estimates that there could be an in-migration of 344,000 people into the region as a result of coal related development in the next decade if there is a major expansion in Eastern coal production. The study estimates that it would cost $2.98 billion to provide housing, schools, roads, utilities and land for these people.

The problem is compounded by an acute housing shortage in the region–brought on by the destruction of much existing housing by floods in 1977, as well as by the requirements of in-migration. The housing shortage has be exacerbated by the limited amount of land that is available for community expansion. Much of the bottom land in the region is subject to recurrent flooding, and is ill-suited for habitation. Much of the remaining land is owned by corporations that have reluctant to make their land available for housing since this could foreclose their option to develop coal resources the land contains.

The Three Mile Island nuclear power plant incident vividly brought to public attention some of the planning issues associated with nuclear power plant siting. But the hazards associated with energy development are not limited to nuclear plants.

Underground coal mining has long been recognized as a dangerous activity for the miners themselves. Less well known are hazards such as flooding and land subsistence which may harm life and property in nearby settlements. Probably the most famous example of a mine related hazard to nearby communities was the Buffalo Creek, West Virginia, dam disaster in 1972. The dam, a temporary impoundment made up of wastes from coal mining, burst under the pressure of heavy rainfall, and sent a torrent of water into Buffalo Creek. The flood killed over 100 people and left over 4,000 homeless. Land subsidence associated with the underground mining is also a significant problem. About two million acres–one fourth of all land over deep coal mines–is unstable; subsidence can damage houses and other development over the mines.

Although sometimes characterized as "Acts of God," most mine related accidents affecting nearby development could be prevented through careful planning, i.e., through limitations placed on mining activities that constitute a significant risk to nearby development, or conversely, through limitations on new development that could be placed at risk because of nearby mining activities. Provisions in the 1977 Federal Surface Mining Control and Regulation Act (P.L. 95-87) attempted to deal with these problems by requiring state regulatory authorities to have the capacity to designate areas unsuitable for surface mining when mining operations would substantially endanger life and property, and to suspend underground coal mining under urbanized areas, or other places where mining would create a substantial risk. It also calls for coordination of such determinations with federal, state or local land use plans and regulations.

The surface mining act also addressed another mining issue of increasing concern: surface mining on prime agricultural land. Prime farmland overlies an estimated one fourth of the country's strippable coal reserves, and a significant potential for conflict exists in states like Illinois which are both major producers of coal and agricultural products. The surface mining act established stringent reclamation requirements for such lands. But the act has been under fire ever since its passage, and efforts to weaken the legislation have been proposed.

Energy development is one area where exceptionally strong federal involvement in land use has been proposed--not to force planning local communities, but to, in fact, override local, state and even federal environmental objectives when those objectives would slow down or prevent the siting of needed facilities. A siting measure which would have allowed federal energy agencies to promulgate siting procedures for states that did not have a federally approved siting program was proposed by the Ford Administration in 1974, but was never enacted. A similar, but more direct, federal role, embodied in the Carter Administration's Energy Mobilization Board concept was similarly not enacted in the 96th Congress, but most expect some variant of this concept to be revived.

Given the magnitude of the possible impacts of hastily sited energy facilities, however, such an approach, if it succeeds, might very likely create more problems than it would solve. Many, if not most states have their own energy facility siting programs. Because state agencies are less remote from the impacts of energy development, and more familiar with local conditions, they are much more likely to make appropriate siting decisions than a federal agency.

Water Resources

Water–both its quantity and quality–is another area where the realities of changing land use could have profound repurcussions for rural America. To begin with, irrigation agriculture–which produces some 28 percent of all crops on just 12 percent of the cropland base–uses more water than any other sector of the economy. In the years ahead, irrigation agriculture faces some serious problems.

In several areas of the west, most notably West Texas, irrigation agriculture is taking much more water from aquifers than is naturally being replenished. In Gaines County, Texas, the water level in the Ogallala aquifer has dropped 12.8 feet in the last ten years. This, coupled with increasing costs of pumping water, has resulted in the abandonment of 100,000 acres of cropland within the county in the last few years.[12] Another serious problem is build up of salts on irrigated land from repeated irrigation.

In addition to problems arising from irrigation itself, Western agriculture is also facing stiff competition from urbanization and energy development for the region's limited water supplies. The City of Tucson, for example, is trying to augment its water supplies by purchasing irrigated acreage, thus gaining hold of water rights. So far, according to the U. S. Council on Environmental Quality, the city has purchased about 12,000 acres of farmland, and anticipates that it will need to purchase an additional 36,000 acres by 1985.[13] This will essentially eliminate irrigation agriculture around the city.

Some areas, however, seem to be making real progress towards stretching their water supplies as far as they can–and in the process making some accomodation with agriculture. An example is Northglenn, Colorado, a suburb of Denver. Rather than condemning irrigation water for municipal use as some other Colorado communities have done, Northglenn has entered into an agreement with local irrigators to recycle their water, and return it to them. The approach is intended to achieve several goals–allocating water as a means of keeping new growth within sustainable levels, protecting nearby agriculture, and reducing water pollution from sewage treatment.

The added overlay of demand posed by new energy development was a key issue which was raised strongly by participants at the Institute of Work and Learning's Western Rural Workshop. The U. S. Department of Energy (DOE), has identified five Western regions which may encounter water shortages in the future due to the added competition for water from energy and industrial development. The DOE report notes that "obtaining water supplies for new energy facilities in (these) water short regions could involve availability and institutional conflicts with other users. If such conflicts cannot be resolved satisfactorily, projections for development of certain energy technologies and fuel resources may need to be revised."[14]

The problems with the water regime in the West are significant enough to be causing a major environmental problem–desertification. An estimated 225 million acres in the West are thought to be undergoing severe desertification, which is characterized by lower water tables, reduction of surface waters, salinization of water supplies and severe erosion.[15] While there have been many grandiose plans to increase Western water supplies through massive diversions of far away rivers, desalinization plants, or even transport of icebergs, these are not likely to occur within the foreseeable future, if at all. Thus, there is real uncertainty whether the West can sustain current levels of population growth, accommodate massive new energy development, and still maintain its irrigated acreage in production.

The question about what might be done to conserve water and to plan for its allocation among various existing and prospective uses is exceedingly complex; effective action will need to involve all levels of government, and a multiplicity of private users. The federal government, which recently established water conservation as a major national priority, in many cases may actually be discouraging water conservation by providing water at subsidized prices. Many local governments in water short areas are still actively encouraging an influx of new population that may further exacerbate competition for local water supplies. And agricultural users are, in many areas, "mining" water from slow to recharge aquifers--a circumstance that makes sense even from a profit maximization point of view only in the short run. This has led to proposals for linking Federal or state water policies with agricultural policy in order to discourage overuse of water.

Protecting Habitat and Scenic Values

The vastness, the diversity, and the sheer beauty of the American land is a transcendent perception that each generation of Americans discovers anew. And it is not just the beauty of the National Parks, though they are incomparable, that is doscovered but that of scores of working landscapes all over the country that are outstanding for their aesthetic values and their provision of wildlife habitat. With the scatteration of new development across the countryside, and more intensive use of land resources for energy and other uses, there is a danger that many of these landscapes will lose the attributes that make them so attractive.

Yet this very increase in development pressure over a large fraction of the privately owned land base has very largely foreclosed one of the major strategies used by land preservationists during the 1960s to set aside open space land around rapidly urbanizing cities. The strategy was to induce a government--sometimes local, sometimes state, and sometimes federal (but almost always with federal dollars involved)--to simply buy up land of exceptional open space value that was slated for development.

This approach quite clearly is of very limited utility these days-not only because both the Carter and Reagan Administration's want to balance the budget, but because, with the price of rural land rising at two or three times that of inflation, a federal government real estate dollar can accomplish very little these days. Moreover, even if vast sums were available, ti would neither be practicable nor desirable to purchase enough rural land to protect a landscape aesthetic which depends on rural scenery measured by the mile rather than the acre.

There are other options, however, In several areas that contain outstanding landscapes, governments are seeking to control the pattern of new settlement in scenic areas rather than buying up the land and eliminating new growth altogether. New York state's Adirondack Park–an area about the size of Vermont in which 60 percent of the land is privately owned–is a particularly conspicuous example of this. A state chartered agency encourage development in hamlet areas or in clusters, rather than in a scattered pattern. Encountering great local opposition when it was established in the early 1970s, the Adirondack plan is gradually gaining acceptance–a fact that in part reflects greater participation by local governments in the program. As local governments assume more responsibility, the Park agency is turning more and more ot its attention to helping strengthen the local economy, which is dependent on tourism and forestry.

A similar effort--though involving the oversight of the federal government--is being tried in the Pine Barrens of New Jersey. Similar approaches for the Big Sur of California, the Columbia River Gorge, and in several other areas–have been proposed. These approaches borrow from landscape protection techniques widely used in England and Europe, and have been called the "greenline concept." By using land acquisition sparingly if at all, and by applying a number of direct and indirect approaches to controlling development, a fair balance between economic development and landscape protection can often be achieved. Traditional agriculture and forestry can continue (something that is often not the case with new parks), and some new residential, commercial and even industrial development can be undertaken–but only with careful guidance.

Institutional Responses

The change in rural land use trends has been so recent that almost everybody–including state, local and federal agencies involved in planning and land management–have been caught off guard. Yet, quite clearly, a different kind of institutional response is needed more today than ten years ago--when the primary growth problem in rural America was thought to be no growth at all, and the primary farmland problem was thought to be overproduction.

For many rural localities--the place where new land use conflicts will sort themselves out, a continuation of past laissez faire responses to new development may result in serious growth problems. Traditionally, rural areas have not been well equipped--either by temperment or experience--to deal with the new land use issues that are now confronting them. Many rural governments have become aware that, without careful guidance new growth and development could impair the landscape and affect other land uses, but they are not quite certain what to do about it.

Land use planning and zoning have been, in the main, urban and surburban phenomena. Many rural areas have limited or no planning capabilities--a circumstance that reflects both a lack of a need for such capabilities until recently, and a resistence on the part of rural landowners to such approaches. In large part, this resistence stems from fears of landowners that land use controls will reduce the potential development value of their land. Much of the dramatic increase in the price of farmland over the last decade is related to the value of the land for agriculture--not development--but most landowners want to keep their options open for the future.

This is not necessarily an insurmountable problem. Landowners near the urbanizing fringe around large cities can feel fairly secure in the assumption that their land will some day fetch a pretty price from a developer. Most rural landowners are not in that situation, however, a few choice parcels may be bought by developers; other land may be bought for amenity purposes. But most farmers will not be seriously approached--save perhaps by other farmers--about selling their land. Thus, they may stand to lose more than they will gain if nearby urban uses begin to interfere with the activity of farming.

Thus, it is not surprising that in many areas of the country, farmers have taken the lead in trying to get agricultural land protection programs in place. Several farm related organizations--including the National Association of Conservation Districts, the National Grange, the National Farmers Union, and the National Association of State Departments of Agriculture--have full heartedly endorsed proposed national legislation to assist states and localities to protect farmland.

One can also expect new approaches to land use problems that are more sensitive to rural needs. Over the years, the planning profession as a whole has been dominated by an urban perspective that may not be especially appropriate in a rural context. Greater interest in rural planning approaches is now in evidence--a circumstance that is reflected in increased literature on rural planning issues.

At the national and state level, also, there is a growing recognition of the land use problems that rural communities face--but there is also a quandary about what to do. Local land use planning and regulation are controversial enough in rural areas, but when a state or especially the federal government, becomes even indirect involved, the political heat becomes very intense.

The five years of Congressional debate in the early 1970s over proposed--but never enacted--legislation which would have provided financial assistance for state level land use programs is a case in point. A bill providing similar assistance for coastal areas passed easily in 1972, but, when statewide assistance was proposed, the bill not only failed to pass, but was largely ignored by the people in the country even as it was attacked vigorously by single-issue activists. As a result, the Congress, and the federal government as a whole, have become gun shy of new programs that could be even remotely construed as increasing federal involvement in land use decisions.

There is a certain irony in this, for this reluctance to deal with land use issues is occurring exactly at the time when rural America is most in need of assistance in dealing with its land resource problems--such as those described in the previous pages. And--given current fiscal constraints and the suspicion of planning and regulatory at all levels of government--it is not likely that this will change in the near future.

There are, however, a number of issues--all related to that much discussed topic of "putting the federal house in order"--that could help rural areas deal with land resource problems. These would not involve massive new commitments of federal funds, or create a new land use bureaucracy. In fact, they might very well save money and reduce bureaucracy.

Over the years, well over 100 federal programs have been adopted which have fairly significant affects on state, local and private land use decision-making. Examples are highway programs, sewerage assistance, airports, water resource projects and a host of other federal and federally assisted activities that affect growth patterns.

In some cases, federal programs have inadvertently subsidized or encouraged activities that have resulted in land use problems. Federal and federally assisted projects often result in conversion of prime farmland--even when other perfectly acceptable sites may be nearby. Federally subsidized water often discourages water conservation, and encourages land degradation. And there are a great many other federal programs and policies--ranging from sections of the IRS code that fuel the fires of inflation in farmland values to interstate trucking regulations--that have unintended "spillover" effects on land use. It would be reckless and unwise to simply cut out these subsidies and policies wholesale, for many of them serve important public purposes. But their land use effects are poorly understood, and merit careful study and possible modifications of policies where appropriate.

Another area concerns federal rural development programs. Over the years, literally hundreds of federal programs have been adopted to channel development assistance to rural areas. Initially, the idea was to focus on distressed rural communities, but gradually many of these programs have been broadened to include, in one way to another, most of rural America. More careful targeting of these development programs could help to assure that those communities most in need--the 250 rural counties, located primarily in Appalachia and the South, and a few areas of the West, where rural poverty is a pronounced problem--get the most of the available development assistance.

Many of the other rural counties are less in need of assistance in attracting new development--they have apparently been successful at this more than anyone would have suspected a few years ago--than in assistance for planning. And, here again, useful changes could be made in the kind of planning assitance now given to rural America.

Most federally supported planning--both urban and rural--is conducted to meet narrowly defined objectives--such as for waste disposal facilities, or roads. While such planning needs to be conducted, broader planning assistance that would consider multiple objectives is not widely available--especially in rural America. Comprehensive planning assistance offered by the Department of Housing and Urban Development has been broadened over the years, but still is primarily directed at urban areas. And a small planning assistance program under the aegis of the Farmers Home Administration--authorized at $5 million per year--has only been sporadically funded.

Quite clearly, this is not adequate to the task at hand. Over the years, there have been a number of proposals to consolidate and coordinate federal and federally assisted planning--not only for reasons of efficiency (many planning efforts overlap the same area) so that some degree of consistency among program objectives can be achieved. This may be desirable, but it will not help communities deal with newly perceived problems such as farmland conversion for which no authorizing legislation exists. Nor is planning without implementation (through zoning, or other regulatory techniques by states or localities) of much use whatsoever.

Although beyond the scope of this paper except for in a general way, there are also the issues associated with federal land ownership. The federal government owns about one-third of the nation's land. Most of this land is in the Western United States, where about half of all land is in one or another of the federal land management systems. Some of this federal land is in national parks or wildlife refuges, but most is "multiple use" land administered either by the Interior Department's Bureau of Land Management or the Agriculture Department's Forest Service. Federal decisions about how this land is used--how much wilderness to designate, how much energy development to permit, or how much timber harvesting and grazing to allow--have major ramifications for Western states.

Over the last ten or fifteen years, several laws have been enacted that are intended to identify federal land management objectives more clearly. The result has been an intensive planning effort--characterized by a high degree of public particpation, and not surprisingly, controversy about specific management objectives (such as how much land to designate as wilderness.)

With the West continuing to gain population, and with Western energy development playing a key role in various scenarios for the nation's energy future, amanagement decisions about federal lands will continue to be a dominanat land issue in the coming decades. Although many Westerners see federal policies towards federal lands as impeding the region's economic development (something that would be hard to justify with statistics), the national interest in these lands requires a more complex management strategy than would otherwise be the case.

The more sophisticated planning processes that are now being applied to both BLM and Forest Service lands may well provide a vehicle for sorting out national, regional and local interest in managing the federal lands.

While it is clear that much can be done to make federal programs more responsive to the new realities of rural land use, it would be a mistake to conclude that federal housekeeping chores alone are all that is needed. The land resource problems that rural America faces are unprecedented, and most, if not all of them would be there with or without past federal programs. As for the future, rural America not only needs help in dealing with these problems, but the national interest in assuring the continued productivity of the country's working landscape may well require that this help be given.

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6

Linking Education and Local Development: An International Perspective

JONATHAN SHER

EDUCATION AND LOCAL DEVELOPMENT

ELD Project History

1. In 1976, the CERI Governing Board authorized the initiation of Secretariat work on education issue in the remote rural areas of OECD Member countries. The resulting project on *Basic Education and Teacher Support in Sparsely-Populated Areas* (otherwise known as the SPA project) emphasized policies, programmes, and innovations having an impact upon the availability and quality of schooling in rural communities. The SPA frame of reference heavily emphasized the compulsory years of public education and a host of technical issues *within* the system.

2. By means of an active programme of Secretariat and Member country cooperation, a significant amount of new knowledge on rural education was generated; several new directions for governmental action in this field were identified; and new national commitments to solve long-standing rural education problems were both reflected and stimulated by the SPA project. This body of work was disseminated not only through an international conference in Aurillac, France and a series of follow-up national conferences, but also through the commercial publication of an OECD/CERI book entitled *Rural Education in Urbanized Nations: Issues and Innovations.*

3. At the completion of the SPA project, there was a general sentiment that further rural education work could be productively carried out at an international level. However, the argument was that additional work on rural schooling, *per se,* was not as vital as an exploration of the connections between education and development in the context of local rural communities. Whereas the SPA project had looked *inside* of rural schools, it was suggested that any new initiative should look *outward* from the education system in order to understand better what education could and should do to assist in the revitalization of the rural communities being served.

4. This orientation was compatible with, but distinct from, other OECD initiatives in education. For example, there had been an earlier project which stressed community involvement in the schooling process (particularly in urban areas) but which did not systematically analyze the role of education in the community/economic development process. There was also some exploratory research on the "socio-geographic context" of education which had commenced a year earlier. And finally, a study of regional development and education had recently been completed, but, as the title implied, the units of analysis were very large geographic regions rather than small local communities.

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5. The emphasis on *local* development became the most distinctive feature of the planning of this new CERI effort. It struck a responsive chord among policymakers from many OECD Member countries who had long recognized the important role education plays in national development and regional development, but also expressed serious concerns about the impact of education upon depressed and/or economically marginal local communities.

6. This concern among policymakers sprang from two sources. The first was the understanding that a wide range of local communities, and their residents, had been "left behind" in the implementation of national and regional development strategies. There was even the suspicion that certain forms of government-sponsored economic development (such as the "growth center" strategy) have actually been able to succeed only through the decline of numerous small local communities. In other words, there was a growing interest in the fate of those local communities and local population groups who had not shared adequately (or been excluded altogether) from the benefits of national and regional economic growth.

7. The second concern was that neither the role of education in the decline of these local communities nor education's potential role in their revitalization were clearly understood. Governmental interest in local level development had been manifested primarily through direct economic interventions (e.g. encouraging private sector relocation with public subsidies and tax incentives, or sponsoring such capital-intensive development projects as road building or industrial site construction).

8. Direct attempts or explicit public sector policies designed to promote local development through educational means were all but nonexistent. Yet, policymakers and development specialists were becoming increasingly aware of the fact that the success of *economic* development initiatives in ameliorating local conditions was dependent upon critical *human/social* factors--that is, factors to which education was inextricably bound. Thus, ignoring the current effects and potential contributions of education to local development (and vice-versa) was a luxury which could not longer be afforded.

9. All of these issues, as well as several related ones, were discussed during the course of a two-day planning meeting held at the OECD in February, 1979. The eighteen nations represented at this session advised the Secretariat on the specific topics, tasks, and framework for cooperation which should inform an international inquiry in this area. This advice was reflected in the programme of work for a new project on *Education and Local Development* which was submitted to, and approved by, the CERI Governing Board in April, 1979.

10. The overriding concern of the ELD project has been to conduct research and facilitate cooperation among Member countries which results in: (a) a better understanding of existing relationships between education and local development; (b) an identification of the potential effects (positive and negative) of alternative methods of linking education and local development; (c) a documentation of the experiences of Member countries in this area, with a special emphasis on interesting and/or innovative strategies; and (d) a set of policy-relevant conclusions for use by policymakers in both the education and development sectors.

11. The original programme of work was intended to achieve these objectives through an analysis of the following group of major issues:

- The ways in which different national and regional *definitions* of the key ELD concepts (i.e. development, local, community, and education) influence the types of ELD relationships and activities found in each country.
- The degree to which education on the one hand *could* and on the other hand *should* be directed toward local development

- The types of intergovernmental, administrative, and financial arrangements which are likely to improve the connections between educational and local development.
- The ways in which the "socio-geographic context" of local areas (i.e. community size, relative wealth, economic base, population characteristics, physical environment, and quality of public services) affect the relationship between education and local development.
- The extent to which local communities can utilize "self-help" strategies to strengthen the education/development bond and the extent to which they are dependent upon "outside" assistance.
- The degree to which governmental action in this field could and should be be directed toward minority, indigenous, and other "special need" populations.
- The political feasibility, practical limitations and institutional consequences of adapting education more fully to the needs of local development.

12. In order to implement this programme of work, the ELD project was originally divided into rural, urban and joint components--each of which included both research and operational elements. However, financial constraints within CERI and a less than enthusiastic response to the urban component by Member countries meant that the urban and joint activities were curtailed and limited (with the exception of an international conference in Italy) to a modified effort on the research side. Consequently, the actual work of the ELD project has heavily emphasized the rural component.

13. In part, this rural bias is the result of the momentum generated through CERI's earlier project on rural education. Still, the central justification here is twofold: first, that rural issues are becoming increasingly significant within many Member countries; and second, that the minimal level of previous information-sharing and active collaboration on rural education and rural development topics among these nations neither reflects the importance of this field nor exhausts the benefits of international cooperation here.

14. During the two year existence of the ELD project, there was one other major shift in emphasis which merits special comment. Originally, it was anticipated that equal weight would be accorded to both formal and non-formal education. If anything, the feeling was that working through the Ministry of Education in each nation would tend to bias the work toward concerns about public education for children and adolescents. In some instances, this assumption was proven correct. And yet, to a far greater extent than initially planned, the most active work and strongest interest has come from the adult, non-formal education side.

15. One explanation is that adults, not children, will be the major participants in *current* rural development programmes and thus, the negative consequences of adult educational deficiencies are more obvious and more keenly felt. Of equal importance is the growing realization that problems on the human side (rather than the capital side) of local development are not simply a matter of an inadequate basic education or missing technical skills (although these are by no means unknown). Rather, there appear to be serious barriers to local development which are cultural/social/attitudinal/political in nature. These problems, particularly in rural areas, often appear to be more readily amenable to solution through non-formal education means than through the formal schooling/training process.

16. In summary, the ELD project has been:

(a) Concerned with helping Member countries analyse the ways in which education affects, and is affected by, local economic development strategies;

(b) Considering education in its broadest sense as any intentional learning experience, in order to discover those areas of education--formal or non-formal, early childhood through adult--in which a significant relationship to local development can be found or nurtured;

(c) Emphasizing the rural dimensions of ELD issues in OECD nations, but incorporating a sufficient level of urban research to help clarify which aspects are specific to a particular context and which are generalizable;

(d) Locating and documenting innovative programmes, policies and strategies directed toward improving the relationships between education and local development;

(e) Sharing the knowledge generated through this project among all the interested OECD Member countries.

ELD Activities and Reports

17. Once the ELD project became operational (May, 1979) an effort was made to identify Member countries desirous of becoming active participants in all (or part) of this project. Thirteen countries--Australia, Canada, Finland, Greece, Iceland, Ireland, Italy, New Zealand, Norway, Spain, Switzerland, the United Kingdom (represented by both Scotland and England/Wales) and the United States--have contributed to all, or most, of the ELD activities. In addition, five other Member countries--Belgium, France, Germany, Sweden and Yugoslavia--have actively engaged in at least two aspects of the ELD programme of work.

18. From the outset, it was apparent that this project would be an ambitious one which required national governments to allocate a higher level of resources, energy and commitment than most international efforts. In many CERI projects, the issues under discussion are already well-documented and well-researched. Under these circumstances, the basic task for Member countries as well as the Secretariat is one of synthesizing data rather than generating them.

19. However, in the case of the ELD project the situation was strikingly different. Not only was there a paucity of available information on ELD issues, but there were also difficulties in locating appropriate and well-informed contact people in each country. The project's rural emphasis only exacerbated the problems in securing accurate and up-to-date information here. Trying to identify experts and review the literature in a "field" which was so new presented problems throughout the life of this project.

20. This circumstance had two effects which permeated the ELD work. On the negative side, there were delays in the planned schedule of work--delays often caused by the absence of the relevant data. As might be expected, the data even today remain somewhat incomplete. Still, the most negative repercussion can be found in the fact that several countries diminished their level of involvement in the ELD work as soon as the amount of data generation/research necessary to participate fully became apparent.

21. Nevertheless, the positive side of this situation is that those countries making the effort to overcome the lack of readily available knowledge here have ended up producing valuable *new* information and insights. Although major changes will not be made overnight, it appears that the ELD perspective is giving policymakers a useful new tool with which to approach some long-standing problems and stimulating a rethinking of governmental action (or the lack thereof) in this area of inquiry. In addition, several national government officials have indicated that the ELD work has helped them to discover a range of small scale, local level activities and thus to learn more about what was really happening within their own nation.

22. Work on this project was carried out in four categories: (a) Secretariat missions and research; (b) surveys of ELD policies and programmes in Member countries; (c) field-based seminars on key ELD themes; and (d) case studies/special reports on ELD innovations. The work completed in each of these four categories will now be summarized.

23. Secretariat missions were carried out in order to help Secretariat members gain a deeper understanding of the broad spectrum of ELD-related work already underway in Member countries. In addition, missions were conducted for which the purpose was either to assist Member governments in the development of special reports and other ELD information, or to aid in the resolution of ELD-related problems. A modest amount of direct cooperation between the Secretariat and Member countries (focusing on planning ELD-related ventures) also took place.

24. Secretariat research was conducted on both the urban and rural dimensions of ELD issues. In part, this meant analysing all the documents and publications submitted by Member governments and/or national experts in order to ascertain any cross-national patterns or generalizable trends. In addition, literature reviews were conducted not simply on education and local development (since, as noted earlier, available documentation in this exact field is scanty) but also on relevant materials from vocational and adult education, human resource planning, community economic development, agriculture, regional policy, political science and sociology. The results of this effort will be reflected both in the conclusions noted herein and in the final ELD book.

25. Supporting and extending the Secretariat's own research was a vital element of the ELD programme of work: the Country Survey. This Survey was sent to all Member countries in June, 1979 as a first step in establishing a knowledge base upon which the ELD project could build. The intent was both to clarify the specific types of information the Secretariat needed and to encourage the production of national contributions sharing enough common features to facilitate cross-national comparisons. More specifically, the survey instrument contained the following elements:

(a) Definitions and Content
(b) Priority Issues
(c) Target Areas and Populations
(d) Key National Policies and Programmes
(e) Key Regional and Local Policies and Programmes
(f) Relevant Data and Research
(g) Innovative and Exemplary Projects
(h) Contact People and Sources of Further Information

26. Nearly all the Member governments choosing to actively participate in the ELD project submitted responses to the Country Survey. As might be expected, the quality and comprehensiveness of these responses varied significantly from country to country. As a whole, however, these survey responses constitute a valuable source of information and insight on the existence and variety of education/local development linkages in Member nations. The Scottish ELD report, which has been sent as a background document to all delegates to the Final ELD Conference, is an example of a particularly thorough and well-done country survey response. The substance of all these survey responses strongly influenced the conclusions noted in this document and will also be explicitly reflected in the forthcoming ELD book.

27. Early in the project, it became clear that people working on ELD issues tended to feel isolated--particularly from their counterparts in other nations. Even within countries, there was often not a pre-existing awareness of the range of organizations and institutions (governmental and non-governmental) having a strong affinity with the ELD work. Thus, a second survey was issued by the Secretariat to appropriate experts, as well as the official ELD contact people, in each country.

28. This second survey was narrowly focused on identifying and gathering descriptive materials on the network of public and private bodies working on ELD-related pursuits. Although the reaction to the survey was mixed (with some nations contributing profusely, while others sent almost nothing) the range of groups identified through this exercise is fascinating and serves to underscore the point that much ELD related work *is* already underway today. A preliminary

version of this "Information Guide to Rural Education and Development Organizations in the OECD Member Countries" will be issued by July, 1981.

29. The next major element of the ELD programme of work was the sponsorship of a series of week-long field-based seminars. These international seminars served as the primary forum for the exchange of information and the mutual exploration of key ELD themes during the course of this project. The field-based meetings (designed to combine plenary sessions on general topics with related site visits and discussions about a specific ELD innovation) proved popular among participants and productive from the Secretariat's point of view.

30. The first such meeting was held in Kuusamo, Finland during September, 1979. This conference brought together representatives from fifteen Member countries in order to carry out [illegible] detailed planning necessary to implement the *rural* component of the ELD project. As a result of this meeting, a common framework for both identifying rural ELD innovations and preparing the special reports and case studies was established. In addition, agreement was reached on the major themes around which the rural ELD work, in general, and the other field-based seminars, in particular, should be organized. These themes were:

(a) The Role of Formal Education and Youth Programmes in Rural Development
(b) The Role of Non-Formal and Adult Education in Rural Development
(c) ELD Issues in Rural Minority and Indigenous Communities
(d) The Educational Role of Development Agencies.

31. It is interesting to note that the only one of these which did not later attract sufficient interest and support was theme 4. In large measures, this one failed to develop as hoped because of administrative and coordination problems at the national level. In other words, since CERI's primary contact with Member governments is through Education Ministries, there were considerable difficulties in organizing an activity which focused on agencies falling outside the jurisdiction of these same Ministries. Ironically, this experience demonstrated the lack of communication and effective coordination between national education and development authorities which the ELD project was designed to investigate.

32. In April, 1980, a seminar was held in Alaska (USA) on "ELD Issues in Rural Minority and Indigenous Communities. This meeting, jointly sponsored by the University of Alaska, the U.S. National Institute of Education, and CERI, attracted representatives of the Aboriginal community in Australia, the Maori community in New Zealand and different minority communities within the United States, as well as delegates from several other OECD nations. Discussions centered on the unique burdens borne by minority and indigenous populations and the special implications for effectively linking education and local development in such communities. Coupled with a general analysis of government interventions to upgrade education and to promote economic development in these communities was an opportunity to visit Native Alaskan villages where a variety of ELD-related activities were in operation.

33. During the same month, the only urban ELD conference was held in Venice, Italy under the auspices of the Italian Ministry of Education and CERI. This meeting brought together delegates from those Member countries having a special interest in the urban dimensions of ELD issues. Like the rural seminars, this conference combined plenary discussion with relevant field visits. The Venice seminar was useful both in fostering an international exchange of information and experience in this emerging field and in helping the Secretariat to understand better the diverse ways in which education and local development interacted in metropolitan regions. This, in turn, clarified those ELD concerns which are "universal" rather than a function of their specific "socio-geographic" contest.

34. In October, 1980 the fourth field-based seminar was convened in Barco de Avila, Spain around the theme of "The Role of Non-Formal and Adult Education in Rural Development." Jointly sponsored by the National Institute of Education Sciences (INCIE) of the Spanish Ministry of Education and Science and CERI, this meeting featured a cross-section of Spain's top officials, experts and practitioners in this field along with delegates from nine other nations. Particular attention was paid to the role which non-governmental organizations and institutions can productively play in the drive to prepare rural adults to benefit more fully from public and private sector programmes of economic development. Through field visits and special sessions, the case of Spain's "escuela campesina" (peasant school) movement was examined as an illustration of a non-formal ELD rural initiative. Other Spanish activities were reviewed along with similar innovations from the other nations in attendance.

35. The fifth, and final, ELD seminar was held at the Chateau de la Muette in Paris after organizational difficulties precluded holding this meeting at the rural site originally scheduled. This seminar centered on the "Role of Formal Education and Youth Programmes in Rural Development" and was attended by delegates from ten Member Countries. Given the brevity of this session, the inherent distractions and formalities of meetings held at the Chateau, and the lack of field visits to anchor and focus the discussion, this seminar did not compare favorably with the earlier field-based ones. Nevertheless, the participants made useful contributions toward a common understanding of how schools (from the pre-primary through post-secondary levels) affect the local development process--even if their impact is often indirect and inadvertent. This seminar also highlighted discussions on topics like the development implications of rural school closures, the problems and prospects of "locally-relevant" education programs and the relationships between major types of vocational education and major rural development strategies.

36. From the beginning of the project, it was apparent that the connections between education and local development were often subtle and almost always complex. In addition, the great variety of interactions uncovered made it clear that no single model could accurately capture or explain the essence of these linkages. Accordingly, it became obvious that survey responses, Secretariat literature reviews, and occasional seminars (although very valuable in their own right) would not generate information of sufficient breadth and depth to allow a sophisticated analysis of the ELD experience in Member countries.

37. This realization, coupled with the more mundane task of adequately describing and documenting interesting ELD innovations, made the need for a series of case studies and special reports imperative. It may well be that these case studies and special reports will have more impact and a longer-lasting value than any other element of the ELD programme. A significant amount of effort, energy and thought have gone into the preparation of these documents and their quality is a tribute to the competence and dedication of the authors.

38. Several of these case studies and special reports have now been completed and others exist in draft form. All of them will be available by the end of 1981 and several will be incorporated in the final ELD book. Given the importance of these papers in the ELD project (as well as their intrinsic fascination) it seems appropriate to briefly summarize a representative cross-section here. Thus, six of the reports on *formal education innovations* will be presented, followed by a description of six of the *non-formal and adult education innovations.*

39. The six special reports/case studies in the first group are united by their emphasis on the role of formal education and youth programmes in rural development. Included here are papers in innovations in Sweden, Australia, the United States, Scotland and Finland.

40. The first report in this group is on the Ockero project in Sweden. Ockero is a small island off the west coast of Sweden with a lower secondary school, Brattebergskolan, serving students from neighboring islands as well as from Ockero itself. By the late 1970's, local parents, students, teachers and administrators had come to believe that the "normal" classroom-based school experience was not adequately addressing the needs of either students or the local community. Consequently, the school day was divided into two parts: half the day would be spent on traditional academic pursuits and the other half would be used for a wide variety of experiential education activities. Many of these activities are tied to community needs and local development opportunities. For example, students now operate a community radio station serving these small islands. Students also operate a fish farming business, as well as a commercial greenhouse of their own construction from which they raise and market tomatoes. Because Swedish law precludes schools from directly operating enterprises, the Brattebergskolan community cooperatively established a non-profit organization to manage these ventures. Financed from local contributions, philanthropic grants and the profits of student operated businesses, this community organization is creating new opportunities for students to "learn by doing" (such as buying an old boat which students are repairing and refurbishing for commercial use) and serving as a focal point for local development initiatives.

41. The next case study on the formal education side is about the Country Education Project (CEP) in Victoria, Australia. Begun in 1977 with funding from the Disadvantaged Country Areas Programme of the federal government's Schools Commission, the CEP now actively operates in five remote rural areas of the state of Victoria. Under the CEP's auspices, a broad spectrum of innovations and new resources have been introduced into isolated rural schools. The purpose of these activities has been not only to upgrade the overall quality of education but also to increase the "local-relevance" of these rural schools. To this end, a major emphasis has been placed on community involvement and the use of the community's human and physical resources in the learning process. Specific activities have included remedial education programmes operated through community volunteers; community surveys and community awareness schemes; joint school-community programs in music, arts/crafts, and drama; camping, and environmental study and related outdoor education initiatives; community education centres; and local work experience opportunities. Interestingly, the Victoria CEP has also spawned several important nonformal ELD ventures, such as an extensive community-based, community-operated program of technical/life skills workshops for rural youths and adults; and assistance in the creation of bilingual agricultural resource materials for local Italian immigrant farmers and farmworkers. Currently, the CEP is planning to increasingly emphasize initiatives which link education, community/social development, and economic growth in the areas being served.

42. The third report here focuses on the high school vocational agriculture program in Waverly, Iowa (USA). This site was chosen as a good example of a secondary school vocational program found throughout rural America. In particular, the close relationship between the formal agricultural course offerings at the school and the informal activities of a rural youth organization called Future Farmers of America (FFA) is noteworthy. FFA and the high school work together to help interested rural students acquire the skills they need to become successful independent farmers. To this end, students take the state-required academic courses (i.e. language, mathematics, history, etc.) plus specialized vocational courses (i.e. plant science, agricultural mechanics, farm management, livestock production, etc.). Through FFA, students simultaneously carry out coordinated projects during the course of their four years of high school including *productive enterprises* (small-scale, profit-making agricultural ventures developed, owned and operated by the student); *improvement enterprises* (practical projects, like soil conservation or fence construction, designed to increase the value or efficiency of a family-owned farm in the community); *agricultural skills projects* (directed toward developing a specific skill needed to own and operate a farm); and *community service projects* (such as conducting free soil analyses, constructing a playground for local children, or pruning trees in a local orchard). There is also a strong emphasis

on developing leadership and public speaking skills among these rural youths. One of the dilemmas being faced in Iowa, as well as the rest of these the U.S., is how to adapt vocational agriculture programmes to the reality of diminishing numbers of small, family farms; the growing presence of major agribusinesses corporations; and the high costs of entering farming.

43. The fourth case study examines vocational education and training in the Highlands of Scotland. Historically, there has been a marked outmigration of young people from the Highlands, generally, and the more remote villages, in particular. Whether they left in search of further education or job opportunities, relatively few returned and their absence has had a detrimental impact on attempts to revitalize Highland villages. Today, many more young people are remaining in the Highlands but the scarcity of jobs--especially jobs for which they are appropriately trained--has triggered a high rate of unemployment among both young people and adults. In recent years, a variety of government agencies and government-funded organizations have launched major programmes or rural development and major new education and training programmes in the Highlands. This study investigates the degree of coordination and cooperative action existing between the education/training schemes and the new development projects. Highlighted are such innovations as the fish farming and forestry programmes at Inverness Technical College, and the work of Craftpoint (a new organization funded by the Highlands and Islands Development Board) which provides training, as well as marketing and development assistance, to craftspeople in the Highlands.

44. The fifth special report in this group is on the KOKKE project and other government-supported attempts to develop schools as village centres in Finland. In recent years, the Finnish government has committed itself to actively promoting local village development as a means of halting rural depopulation and ensuring balanced national growth. The role of schools as village centres is seen as a key element in the government's overall strategy for rural development. The KOKKE project is a good example of this attempt to connect education and local development. School facilities are being used both during and after school hours to the advantage of the entire village. For example, health services, senior citizen centers, "coffee bars," and craft workshops are being housed in village schools. Efforts are also being made to revive village culture and traditions through school activities. Aside from their direct benefits, activities like those in the KOKKE project seem to be stimulating a renewal of village pride and interest in development work. Compatible initiatives are also underway on the non-formal education side in Finland through projects of the Union of Rural Municipalities and through "study circles" on local development sponsored by major political parties (such as the Centre Party's Union for Rural Education).

45. The sixth, and final, case study in the group summarized here describes the planning and implementation of rural school-based enterprises in the United States. The common element linking these innovations is the emphasis on creating real businesses operated by young people in order to improve the quality of occupational preparation, encourage the development of entrepreneurial skills appropriate in a rural economy, and contribute to local development. For example, in Brooks County, Georgia, a complete lack of day care opportunities made it difficult for women to seek employment. In response, the local secondary school built a day care facility on school property using student labor and currently operates a centre which provides: (a) good care for young children; (b) training and work experience for the student staff; (c) the ability to seek work for local mothers; and (d) a net source of income for the school system. This same school also features a very modern student-run swine production operation on school property which is both economically profitable and an excellent training/work experience for the rural youths involved. Other similar innovations like a community newspaper operated by secondary school students in rural Arkansas and a substantial boat-building business run by young people in rural Maine are also examined.

46. As mentioned earlier, a series of case studies and special reports was organized around the role of non-formal and adult education in rural development. Much has been written about this theme in the context of the less developed nations. The contribution of the ELD case studies is in filling a major knowledge gap about comparable work in the OECD Member countries. The six innovations summarized here are occurring in Spain, New Zealand, Wales, Switzerland, the United States, and Australia.

47. The first "non-formal" report is on the "escuela campesina" (peasant school) movement in Spain. Started in the village of La Carrera in the late 1970's by two local priests (although independent of any official Church control) there are now eighteen village-based peasant schools in the province of Avila alone. "Classes" are held in homes, churches or other available building and coordinated by volunteer community members having relevant skills. The "curriculum" is drawn almost entirely from the actual experiences, problems and concerns of the local peasants. The objective is to help peasants to understand better both their condition and the pragmatic steps they can take themselves in order to improve their position. Thus, the educational work of the escuela campesina has three components: (a) discussions and activities aimed at "consciousness raising" i.e. strengthening self-images, clarifying both obstacles to development and targets of opportunity, forging a collective identity, and motivating collective action; (b) technical lessons and practical skill development around such topics as livestock management, agricultural marketing strategies, and dairy product analysis; and (c) concrete actions to promote local development (often done in conjunction with the local peasant union) such as establishing cooperatives for buying and selling agricultural products or protesting unfair practices by agricultural middlemen.

48. The second case study in this group is about the Waahi Marae project in New Zealand. This project began as an effort by a Maori community to resist the construction of a massive power station adjacent to their tribal homeground (Waahi Marae). The government proceeded with the construction but, after several years of negotiation, a major compensation settlement was given to the local Maori community. This spurred a great deal of community planning and development on the Waahi Marae, including housing construction, the creation of community and recreational facilities, and the acquisition of more than 2000 acres of agricultural land for commercial production. In fact, a major physical and economic development programme has been launched in the wake of this compensation award. The local Maori leaders believe that this initiative must integrate an active emphasis on non-formal education. Accordingly, they have started such activities as community tutoring of Maori students; the acquisition of development-related political skills, legal knowledge, and planning techniques by local adults; the revitalization of traditional Maori crafts, culture and tribal rituals; and the teaching of relevant technical skills (i.e. carpentry, welding, plumbing, fencing, landscaping, etc.) especially to unemployed Maori youths. The point of non-formal education here was to enhance community solidarity, promote cultural identity and provide technical knowledge so that the Maori population could effectively initiate and control the local development process.

49. The third report here focuses on the non-formal and adult education schemes sponsored by the Development Board of Rural Wales. This U.K. government-funded organization was created in 1977 with a mandate to encourage and assist the economic and social development of Mid-Wales, especially through an expansion of local job opportunities. Most of the Board's resources have thus far been directed toward attracting outside industries to relocate in rural Wales. Still, non-formal educational programmes related to local development have found a niche in the Board's operations. The centerpiece is the New Enterprise Promotion (NEP) scheme run in cooperation with the Manchester Business School. The basic intent is to identify and train individuals from within Wales who have either recently established, or would like to create, new businesses--especially small-scale manufacturing or craft enterprises--in Mid-Wales. The intensive training provided is geared to bolstering the confidence, developing the entrepreneurial skills, and working through the specific business problems of each participant. Recently, the Board began a

simplified, simulated version of the NEP for upper secondary level students called "Young Enterprise" in which individuals (during after school hours) "create" a business from scratch and "manage" it for a year. In addition, the Board sponsors other non-formal education programmes through its business advising services and social development ventures.

50. The fourth case study concentrates on the connections between non-formal education and local development in the Swiss canton of Jura. This small mountainous area lying on the border between France and Switzerland has had a turbulent history of economic marginality and outside control. The report recounts this history and points out the high level of non-formal adult education present in the movement to break away from the German-dominated canton of Bern and to create a new, autonomous, French-language canton for the Jura. After an extended struggle, this goal was at least partially accomplished in 1978. Since then, there have been extensive initiatives designed to foster social/cultural development as a necessary prelude to the solution of the area's lingering political and economic problems. The assumption is that a firm cultural identity and strong community/human resource development programmes are more important (at least in the short run) than traditional, economically-oriented development strategies. Among the non-formal education efforts described are the village festivals, the Jura Cultural Animation Association, the Jura's People University, and the "consciousness-raising" and community organizing work of a staunchly separatist local movement called the "Militants Francs-Montagnards."

51. The fifth report in this group is about non-formal community education and development in the Appalachian region of the United States. More specifically, the work of two separate organizations, the Highlander Research and Education Center and the SALT (Southern Appalachian Leadership Training) programme are highlighted. Inspired by the Danish folk school movement, the Highlander Center was created in the 1930's to help local community activists across the Southern U.S. work with and learn from each other. Over the years Highlander has been deeply involved in union organizing, civil rights struggles, and other efforts to help local people gain a measure of power and control over their own lives. Educating people to understand and organize around local developing issues is a long-term emphasis--recently evidenced by a major Highlander study on land ownership patterns in Appalachia. Whereas Highlander depends on short-term workshops, the SALT programme features more intensive internships of up to a year's duration. SALT was created in the late 1970's to identify organizers (or potential organizers) or grassroots local development/social change movement and then to give them the leadership training and field-based support necessary to ensure their maximum effectiveness. A strong and mutually supporting network of these indigenous leaders has emerged and been utilized in major SALT initiatives--such as their campaign for greater parental control of local school and greater community control of local development.

52. The sixth, and final, special report summarized here is on the work of the Aboriginal Cultural and Training Institute in Australia. The Aboriginal communities of rural Australia are, by any measure, the most disadvantaged and economically depressed in the nation. Government attitudes and policies toward the Aboriginal population have passed through clearly defined stages from elimination to protectionism to assimilation to the current policy favoring Aboriginal self-determination and self-management. As a result of this new policy, Aboriginal communities were organized around local councils having responsibility for providing water, sewers, housing and other public services. In addition, many Aboriginal people were placed on governmental policy committees in such areas as education, the arts, employment and housing. The discovery of considerable mineral and other economically important resources on Aboriginal lands made the self-management of local development a prime concern. The role of the government-funded Aboriginal Cultural and Training Institute is to promote a broad spectrum of non-formal education opportunities designed to make Aboriginal self-management an effective reality. The Institute provides administrative and skill training for Aboriginal people serving on government policy committees; management assistance and training to local community councils; and technical

assistance in establishing Aboriginal youth programmes. In addition, the Institute pursues an aggressive publishing and materials development programme to aid Aboriginal education and local development.

53. All of the preceding case study summaries are merely descriptive overview intended to impart a sense of both the nature of current ELD innovations and the enormous variety of activities which are encompassed by the ELD framework. The studies themselves have a strong analytic element which enables the reader to understand the complex interactions and the major strengths and weaknesses which characterize each of the innovations reviewed.

ELD Project Conclusions

54. In formulating the following set of conclusions, the ELD special reports summarized above (as well as those not described here) were a key source of information and insight. In addition, the Secretariat was able to draw upon the country survey responses and related documents submitted by Member countries in arriving at these conclusions. Supplementing these sources were the contributions of participants at the field-based ELD seminars and the Secretariat's own ELD-related missions and research

55. Thus, the conclusions presented below have emerged from the full range of activities carried out under the resources of this project. Still, it should be understood that the conclusions noted herein are provisional and subject to further modification. Indeed, one of the major tasks of the Final ELD Conference is to review carefully and debate freely these conclusions during the various small group and plenary sessions scheduled. Participants are encouraged to suggest appropriate revisions or to propose any additional conclusions which will enhance the accuracy and utility of the current set.

56. The conclusions themselves are divided into three categories: (a) general conclusions applicable to all elements of the ELD work; (b) specific conclusions about the role of formal education in rural development; and (c) specific conclusions about the role of non-formal and adult education in rural development. The order in which conclusions are listed is essentially random and no ranking should be inferred. Further, the extent to which any particular conclusion is applicable varies from country to country. Nevertheless, there *is* a significant degree of commonality and comparability among the OECD nations in this particular field.

GENERAL CONCLUSIONS

I. THE RURAL POPULATION OF OECD MEMBER COUNTRIES IS NOW, AND WILL CONTINUE TO BE, SIGNIFICANT IN NUMERICAL TERMS

57. Rural populations are not going away. Although there has been a considerable decline in the "rural" proportion of national populations, there has *not* been a similar reduction in the absolute number of rural residents. At present there are approximately 220,000,000 people living in the rural areas of OECD Member nations. This is equivalent to the aggregate population of the world's twenty-five largest urban areas. Put another way, the OECD *rural* population is comparable to the *total* population of France, Germany, Italy and the United Kingdom combined. Further, rural to urban migration patterns are slowing inmost countries and have stopped, or even *reversed,* in other OECD nations. Such a large population should no longer be regarded as marginal or insignificant.

II. THE EDUCATION AND LOCAL DEVELOPMENT ISSUE IS AS IMPORTANT IN HIGHLY DEVELOPED OECD COUNTRIES AS IT IS IN LESS DEVELOPED MEMBER NATIONS

58. Although the stages of and perspectives on economic development vary among OECD countries, the importance of ELD-related concerns does not vary a great deal. Some countries stress the urban side and some the rural side, but in most countries ELD problems and possibilities are present throughout the nation.

III. ALTHOUGH ELD ISSUES IN URBAN AND RURAL COMMUNITIES ARE VERY SIMILAR IN THEORY, THE SPECIFIC PROBLEMS AND APPROPRIATE REMEDIES ARE OFTEN DISSIMILAR

59. At the level of fundamental principles (such as those expessed in the remaining general conclusions) there are few noteworthy urban-related differences. However, given the emphasis on *local* development here, the fact that differences in the local context lead to many operation differences should come as no surprise. For example, the importance of schools as community centres; the absence of a strong development infrastructure; the emphasis on self-employemnt and occupational diversity; and the significance of small-scale ventures tend to be characteristic of rural areas. Conversely, urban communities tend to have a far more diversified economic and educational base; greater problems of agency and community coordination; a relative over-supply of available labor; and better access to development resources. All these greatly affect the ways in which ELD initiatives actually play themselves out in metropolitan versus non-metropolitan communities.

IV. EDUCATION AND LOCAL DEVELOPMENT ARE ALREADY CLOSELY CONNECTED IN OECD NATIONS

60. In a fundamental sense, there is nothing new or innovative in the idea that there is a vital relationship between these two spheres. Complex and dynamic linkages have long existed, even if they have been largely ignored or overlooked by policymakers and practitioners. Thus, the critical issues is not *whether* education and local development are (or should be) connected for the fact is that they are already inextricably intertwined. Rather, the key question is *what kind* of relationships between them should governments sanction and support.

V. WHILE A LACK OF OFFICIAL RECOGNITION AND ACTION HAS NOT DIMINISHED THE ELD BOND, IT HAS MEANT THAT THE NATURE AND CONSEQUENCES OF THESE CONNECTIONS REMAIN UNCONTROLLED.

61. Many of the relationships between education and development are subtle, indirect, and often inadvertent--but this has not rendered them insignificant. Because ELD issues tend to transcend the mandate of sectorially-organized government departments, these issues are often ignored by everyone and their impacts occur in a haphazard manner. This is not an advantageous situation.

VI. WHILE EDUCATION MUST BE A PARTNER IN THE LOCAL DEVELOPMENT PROCESS, ITS ROLE IS ESSENTIALLY A SUBORDINATE ONE.

62. There can be no meaningful economic development in the absence of human resource development. Thus, education can, does, and should play a vital part in local economic development initiatives. Nevertheless, meeting the pressing *economic* needs of disadvantaged or marginal local communities dictates that economic agencies and strategies must play the lead role in the development process. For example, education is an irreplaceable factor in youth employment and yet, changes in the economy and in the labor market (rather than in education) are ultimately responsible for aggravating or alleviating high youth unemployment rates.

VII. CONNECTING EDUCATION AND LOCAL DEVELOPMENT CAN HAVE EITHER POSITIVE OR NEGATIVE EFFECTS.

63. It is imperative to avoid the simplistic notion that any linkage between education and local development is a beneficial one. The ELD case studies point out a variety of positive impacts. However, there are also some ELD connections which are clearly destructive. For example, education and development are intimately connected in "company towns" where very inadequate schools are tolerated (if not encouraged) by the company because they ensure a surplus pool of cheap, docile labor and reduce the likelihood that the local economic order will be called into question. Similarly, rural education programmes which ensure the outmigration of the community's brightest and most capable youths may have a variety of justifications, but there is no avoiding the fact that their impact on the local community is almost always negative and occasionally devastating.

VIII. GOVERNMENT INTERVENTION CAN AFFECT THE NATURE AND QUALITY OF THE ELD RELATIONSHIP.

64. Although historically the ELD link has existed despite, rather than because of, government policies, it is equally evident that governmental action can fundamentally alter this relationship (for better or worse) in a given local community. The point is that formulating appropriate governmental policies and practices in this area is not a waste of time or energy. Indeed, the ELD field may prove to be a rare target of opportunity for creative governmental action.

IX. GOVERNMENT INTERVENTION SHOULD ENSURE THAT THE LOCAL POPULATION IS THE CHIEF BENEFICIARY OF THE DEVELOPMENT OF THEIR OWN COMMUNITY.

65. Sadly and ironically, many of the efforts ostensibly intended to promote local development have actually occurred at the expense and to the detriment of the indigenous resident population. As a rule, development done by the local community is more successful and beneficial than development done to the community against its will be "outsiders" from the public or private sector. "Grassroots" (or "indigenous" or "self-reliant" or "bottom up") development strategies carry with them the need for extensive educational initiatives of both the formal and non-formal variety. Government assistance should reflect this reality.

X. GOVERNMENT INTERVENTION SHOULD BE FLEXIBLE AND PLURALISTIC IN ORDER TO REFLECT THE DIVERSITY OF LOCAL COMMUNITIES.

66. The primacy of local circumstance must be respected and built upon in any sound ELD strategy. There is no "one best system" or single national or international model around which all ELD activity should resolve. The current need is for government action *in* support of *locally-relevant, locally-operated ELD innovations,* rather than a standardized strategy that is designed and implemented on a national basis.

XI. GOVERNMENT INTERVENTION SHOULD FOSTER EFFECTIVE AND ACTIVE CO-OPERATION BETWEEN EDUCATION AUTHORITIES AND DEVELOPMENT AGENCIES.

67. For ELD initiatives to succeed, there is a critical need for meaningful coordination among relevant government agencies at all levels. The stakes are too high to allow agencies on either side to ignore each other or to work at cross-purposes. At a minimum, this cooperation and coordination must exist at the informational and planning levels. However, the creation of ELD "joint ventures" is an alternative which should be seriously considered by Member governments.

CONCLUSIONS ABOUT THE ROLE OF FORMAL EDUCATION IN RURAL DEVELOPMENT

I. THE ENORMOUS POTENTIAL OF RURAL SCHOOLS TO FUNCTION AS COMMUNITY INSTITUTIONS HAS REMAINED LARGELY UNTAPPED.

68. Despite all the rhetoric about rural schools (particularly small village schools) being the "heart of the community" there are surprisingly few examples of rural-community partnerships actively functioning at a substantive, rather than symbolic, level. Nevertheless, the places where these partnerships *do* exist make clear that the potential for rural schools to actually operate as vital community institutions is remarkable. Helping schools to perform this role is a necessary first step toward building a positive relationship between formal education and local development.

II. THE BASIC ELD-RELATED PURPOSE OF FORMAL EDUCATION IS TO ESTABLISH THE PRE-CONDITIONS FOR LOCAL DEVELOPMENT.

69. Although schools occasionally play a direct economic role by virtue of being a major local employer or through experimental schemes like these school-based enterprises, this is not their fundamental connection to local development. Rather, their task is to create a cadre of young people possessing the skills, knowledge, and attitudes needed to become responsible and productive individuals who are able to contribute to the community's development, if they so choose. This implies that educators must understand and act to enhance the ELD linkages which exist (albeit indirectly) at every level of the education system. For example, at the pre-school level, the ELD connection can be found in the fact that these early childhood programmes allow mothers to seek local employment, and also serve to reduce the isolation (and reinforce the community identity) or rural children and parents alike. At the primary school level, the socialization process--e.g. the vision of the "good life" (and where to find it) imparted to children--has a direct bearing on later attitudes to the local community and its development prospects. At the secondary level, the curriculum and its relevance to life in the local community has major ELD implications as does student exploration of options for employment or further education. At the vocational/technical school level, the ELD link can be seen in the appropriateness of the training offered to the structure of the local economy and the characteristics of the local labor market. And finally, at the university level, the extent to which the traditional tasks of research, service and teaching are focused on rural needs and rural possibilities is an indication of their utility from an ELD perspective--as is the degree to which individuals desirous of living/working in a rural community are prepared to do so successfully because of their education. The point is simply that by establishing (or failing to establish) the correct pre-conditions, the formal education system profoundly affects the entire local development process.

III. THE LOCATION OF SCHOOLS IS A KEY FACTOR IN LINKING EDUCATION AND LOCAL DEVELOPMENT, ESPECIALLY AT THE PRIMARY SCHOOL LEVEL.

70. Rural schools are a major source of community identity and community pride. The closure of the local rural school often has the (unintended) consequence of seriously eroding a small community's sense of self-worth--and thereby reducing its motivation and ability to engage in local development activities. The point is that while good schools in a particular rural community are rarely an incentive for local development, the *absence* of schools is a powerful disincentive to attracting and retaining not only businesses but also the young families who would accompany them. Thus, education policymakers have to become more sensitive to the development implications of decisions (like school closures) previously made strictly on the basis of education system-oriented criteria.

IV. THE STRATEGY OF USING EDUCATION PRIMARILY TO PROMOTE INDIVIDUAL MOBILITY IS REACHING THE POINT OF DIMINISHING RETURNS.

71. Particularly for young people coming from isolated rural communities the relationship between geographic mobility and socio-economic mobility was tightly interwoven. In other words, the message long communicated to students (whether intentionally or unwittingly) by the education system, by employment training programmes and even by the media was that economic opportunity was primarily to be found outside their home communities. This was a powerful message and the known opportunities at home (which were often marginal) could not begin to compete with the lure of unknown (but supposedly excellent) opportunities elsewhere. However, there is now a growing recognition that the 'success' achieved in this manner comes with a much higher social and economic cost to both individuals and society as a whole than anyone had originally anticipated. Moreover, the centres of economic opportunity to which youths flocked have become saturated in recent years and cannot productively absorb or utilize all their own young people, let alone a continuing influx of rural migrants. Accordingly, the economic reality behind geographic mobility--the existence of economic centres to which country migrants could go and be reasonably certain to find 'good' (or at lest better) economic opportunities--is perhaps no longer a reality at all. For more and more young people from poor, working class backgrounds, going from the countryside to the city (or even from one country to another) has not resulted in the 'better life' they envisaged. Indeed, much of the current movement can be characterized as a shifting of old deprivations to new locales.

V. THE "OPTION TO STAY" IN RURAL COMMUNITIES SHOULD BE GIVEN HIGHER PRIORITY BY THE EDUCATION SYSTEM.

72. The notion here is not one of restricing any individual's progress or possibilities. The traditional "option to leave" should and will continue to exist as a viable choice for rural youths. Now, however, it may be wise to supplement and balance the traditional encouragement of individual migration by using formal and non-formal educational mechanisms in order to explore and promote the options to stay in the local area, without a major sacrifice of social and economic aspirations. To be effective, it is clear this new educational emphasis must be directly tied to the effort to expand and diversify the local economic base. Training youths simply to fit into the long-established (and frequently declining) local economic pursuits is neither particularly productive nor what is meant here by creating a real option to stay. Rather the intention must be to link these education programmes with economic development programmes attempting to rejuvenate the local area through the creation of new kinds of industries, jobs, self-employment, and entrepreneurial opportunities.

VI. ATTEMPTS TO DEVELOP "LOCALLY-RELEVANT" CURRICULA AND TO PROMOTE "EXPERIENTIAL" EDUCATION OPPORTUNITIES MERIT STRONG SUPPORT.

73. By their actions, schools present students with a powerful vision of what knowledge is important and which experiences will prove valuable in their adult lives. Schools which do not actively incorporate the community's human and physical resources; which exclude pertinent information about the local area from the curricula; and which utilize a traditional classroom format rather than an experiential one (i.e. "learn by doing") may be delivering an important anti-local development message to their students. Conversely, the creation of locally-relevant curricula and learning styles can easily and effectively tie-in with local development initiatives. Again, the intent is not to devalue basic skills or to lower the quality of education for rural students, but rather to inculcate these skills (and perhaps improve the quality of instruction) through the use of locally-relevant, experiential techniques.

VII. UPGRADING THE ROLE OF FORMAL EDUCATION IN RURAL DEVELOPMENT WILL REQUIRE NEW TRAINING AND RETRAINING PROGRAMMES FOR BOTH EDUCATORS AND DEVELOPMENT SPECIALISTS.

74. In order to have people capable of increasing the positive aspects of the education and local development interaction, it is first necessary to provide these individuals with the training they need to function competently and comfortably. It is important however that everyone involved in the ELD process--from schools, development agencies, and interested local communities--have access to this training, plus incentives which will facilitate their participation. This training process probably can best be carried out through a combination of community-based internships and related academic experiences of both a formal and non-formal nature.

CONCLUSIONS ABOUT THE ROLE OF NON-FORMAL AND ADULT EDUCATION IN RURAL DEVELOPMENT.

I. BOTH NON-FORMAL AND ADULT EDUCATION HAVE MADE, AND CAN CONTINUE TO MAKE, MAJOR CONTRIBUTIONS TO THE RURAL DEVELOPMENT PROCESS IN OECD COUNTRIES.

75. Far from being a superfluous "add-on" to "real" (i.e. economic) development, non-formal and adult education are an essential and unavoidable part of any *successful* rural development programme. The fundamental value of such education is as a tool of empowerment--that is, as the means through which disadvantaged rural populations become active participants in, rather than merely passive recipients of, rural development efforts. In other words, appropriate non-formal and adult education schemes enable local rural communities to acquire the competence and the confidence necessary to plan, implement and control their own development, rather than remaining wholly dependent upon the actions of outside agencies and imported expertise.

II. WHEN AVAILABLE, FORMAL ADULT EDUCATION AND TRAINING PROGRAMMES IN RURAL AREAS TEND TO BE GOVERNMENT-OPERATED, INDIVIDUALLY-ORIENTED, TECHNICALLY/SKILL-BASED, AND RELATED TO LARGE-SCALE IMPORTED DEVELOPMENT STRATEGIES.

76. The availability of and access to formal adult education and training programmes continues to be a problem in the rural areas of OECD nations. Governmental attempts to widen the geographic distribution of post-secondary institutions (through the creation of new technical institutes, regional colleges and community colleges or through the physical decentralization of existing programmes and institutions) have been a major step in the right direction. Nevertheless, there is often a significant discrepancy between the official catchment area and the population actually being served--with the more remote rural communities (which may need these programmes the most) ending up being the ones least often reached. Further, the appropriateness of the courses available is also questionable. Again, the emphasis is often on individual mobility or credentialing rather than solving local community problems. Still, formal adult education and training can play an important role in preparing local people for employment in communities where development means attracting a factory or other major employer to relocate there.

III. BY CONTRAST, NON-FORMAL ADULT EDUCATION IN RURAL AREAS TENDS TO HAVE DIVERSE PUBLIC AND PRIVATE SECTOR SPONSORS, BE COMMUNITY-ORIENTED, AND EMPHASIZE CULTURAL, SOCIAL, AND SMALL-SCALE ECONOMIC DEVELOPMENT STRATEGIES.

77. Whether sponsored by churches, unions, businesses, community organizations, political groups, public agencies or private foundations, non-formal initiatives tend to have the strongest *direct* linkages to local development. Their agendas usually are derived from an analysis of local needs and concerns and their activities are designed to foster both the *individual* and *collective* capabilities required to solve pressing local problems. Most of these non-formal efforts share an operational assumption that social/cultural development and economic development are part of the *same* process and must be implemented in tandem. Although many of these non-formal education thrusts are poorly-funded, loosely-organized, very small-scale and otherwise marginal in regional or national terms, they have an importance locally which must not be underestimated. In fact, the very array of actual and potential non-formal education activities was one of the most encouraging discoveries of the ELD project.

IV. GOVERNMENT INTERVENTION SHOULD SEEK TO CLOSE THE GAP BETWEEN FORMAL AND NON-FORMAL ADULT EDUCATION INSTITUTIONS AND INITIATIVES IN RURAL COMMUNITIES.

78. The operational differences and programmatic distinctions between formal and non-formal adult education are both unnecessary and counterproductive in a rural context. A genuinely integrated, community-based approach to local development is what is needed, not a situation in which formal and non-formal education are poorly coordinated or estranged from each other (if not adversarial). There is no inherent reason that non-formal education thrusts cannot include a stronger element of academic and technical training than is currently the case. Noncommitantly, there is no reason that formal education cannot realign itself in order to address more sensitively and efficiently *community* needs, as well as individual ones. Productively linking the disparate elements of the education sector is a prerequisite for an optimal linking of education and local development.

V. RURAL DEVELOPMENT AGENCIES SHOULD BE STRONGLY ENCOURAGED TO ACCORD A HIGHER PRIORITY TO EDUCATION AND SOCIAL/CULTURAL DEVELOPMENT WITHIN THEIR OWN POLICIES AND PROGRAMMES.

79. Far too often, issues of human resource development are given only a minor or token place in the spectrum of activities generated by rural development agencies. In part, this is the result of either a lack of statutory authority to become involved to a major extent in this area or the misguided assumption that these issues are being adequately addressed by other agencies. In addition, the belief that "hard" development (e.g. building factories or other capital-intensive investments) takes precedence over "soft," (e.g. human resource) development also lies behind the lack of enthusiasm for work in this area. However, increased economic activity or higher aggregate wealth in a region means little in and of itself; the distribution of this wealth and the actual beneficiaries of these activities are the critically-important criteria. Their capacity of disadvantaged, marginal rural communities to reap the benefits of development is severely limited in the absence of intensive formal and non-formal adult education activities. Thus, the fact that social/cultural/skill development is vital to the success of *economic* development needs to be more fully acknowledged and reflected by rural development agencies.

VI. GOVERNMENT INTERVENTION SHOULD SEEK TO SUPPORT RATHER THAN SUPPLANT THE DIVERSE NETWORK OF NON-FORMAL EDUCATION ACTIVITIES CURRENTLY UNDERWAY IN RURAL COMMUNITIES.

80. Government involvement in the ELD process should be more explicit and active than it has been to date. This does not imply, however, that government agencies should themselves attempt to *operate* a much wider spectrum of non-formal education programmes. Instead, the emphasis should be on both encouraging and tangibly supporting the existing non-governmental groups

already sponsoring these efforts. This is not only a more cost-effective strategy for government involvement but it also serves to sanction the value of voluntary, community-based organizations in democratic societies. To the extent that governments are directly running non-formal rural education activities, such as agricultural extension services, priority should be accorded to ensuring that outdated, narrowly focused sectorial initiatives are redirected toward broader rural development goals.

VII. GOVERNMENT INTERVENTION SHOULD PLACE THE HIGHEST PRIORITY ON ELD ISSUES AFFECTING RURAL MINORITY GROUPS, INDIGENOUS COMMUNITIES, AND OTHER POPULATION GROUPS (SUCH AS LOW-INCOME RURAL WOMEN) HISTORICALLY DENIED THE FULL BENEFITS OF RURAL DEVELOPMENT PROGRAMMES.

81. Building positive relationships between education and local development is an important task throughout the rural segments of OECD nations. However, the necessity of making this connection a useful one is nowhere more pressing and poignant than in the case of minority, indigenous and other "special need" populations. In part, it is a matter of governments continuing and extending their recent attempts to redress the injustices of the past. In part, it is a function of the fact that many of these minority and indigenous communities find themselves facing increasing pressures and difficult development decisions as a result of their possession of economically-important natural resources. Yet, most important, the ELD connection is crucial because these local communities (and the nation as a whole) can no longer afford to squander the human resources and productive capacity which these populations represent.

7

Enhancing Traditional and Innovative Rural Support Services

MARY A. AGRIA

For all the optimistic discussions of a rural renaissance and a significant population turnaround favoring growth in rural communities, the status of support services development in rural areas remains grim:

- --an estimated 20 million rural residents are utilizing water systems which fall below the minimum safety standards set by the Public Health Service; (21.8)
- --Over one-third of all rural residents are living in areas officially designated as medically underserved; (22.3)
- --The Department of Transportation has categorized virtually half the local roads in rural America as being in "intolerable" condition; (21.2)
- --A far greater proportion of rural occupied housing units are substandard than those in urban areas (3.0).

The lack of essential services includes virtually every factor important to quality of life for rural residents: adequate health care, water and other sanitary systems, child care, transportation, communications, energy, and housing facilities. Even more sobering, perhaps, than all these "have nots" is the absence in many cases of the necessary "capacity building" mechanisms which would make it possible for residents in rural areas of develop and/or locate the resources–financial and political–in order to obtain such support services, either through successful competition for existing program funds or through political lobbying strategies that would help generate needed financial assistance at a State or Federal level. Because of the tremendous cost of many of these support service systems, the rural ideal of local "free enterprise" too often becomes synonymous with "no enterprise," because the local financing is simply not there or debt limits are so low that communities cannot possibly plan and carry out support service development.

The case of Broadalbin, New York, and its efforts to improve its local facilities points clearly to the magnitude of the problem:

> Fearing the danger of fire to the village (after a sawdust plant fire burned out of control for 3 days with only reek water "teeming with raw sewage" to extinguish the blaze), village leaders in 1976 began a massive campaign to locate the $300,000 needed to revamp the village's deteriorating water system. Local funds were out of the question since the State's debt ceiling for the village was only $300,000 and the community was already $50,000 in debt. Over the past 10 years $62,000 had already been spent by the village for unsuccessful grant applications. Two HUD applications were submitted, but were unsuccessful due to lack of adequate funds. An EPA loan program which could have been helpful had been discontinued several months earlier, supposedly because funds were available elsewhere for this kind of program. Net result: the village was cited by the State Health Department and people had to begin boiling water. Yet, because bills were too low under the "size of water bill" funding criteria, the village

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> did not qualify for FmHA grants for water system improvement assistance. The community's major industry–a furniture company employing 100 people–was threatening to curtail any further expansion because of the lack of adequate water. The community could not even supply one plant in the village with enough water to have running water or indoor toilets for employees. (21.4)

As the Broadalbin case illustrates, lack of adequate support services not only is a serious threat to quality of life and health in rural communities, but also presents a sometimes formidable, if not insurmountable barrier to any kind of local initiative to stimulate industrial or economic development to improve the economic base of the community and the income of individuals and families in the area. So the vicious cycle exists: lack of adequate community financial and political resources impede support service development, while the resulting barriers to potential economic growth keep the community and its citizens locked in levels of services and income far below that of their urban counterparts.

The myths which contribute to this cycle of inadequate rural service development are legion, among them the stereotype of the healthy rural farmer, living close to the land in an idyllic environmental setting. (21.8) In reality the demographics of rural life are far more complicated than this. There are rural communities in which logging or recreation are prevalent (so-called "undulating" communities which have chronic broad swings in seasonal unemployment), and those with modest industrial bases. Only half of those actually living on farms in the United States are employed mainly or solely in agriculture at all. (18.0) The majority of small farmers need some form of second income or employment in order to survive. One rural study maintains that, "as a group, families living on small farms ... derive more than 80 percent of their income from non-farm sources." (11.0) The median family income for nonmetro families was only 80.4 percent of that for metro families in 1973. (21.2) Over 20 percent of all nonmetropolitan residents were living in poverty in 1977 compared to 11 percent of all metropolitan families. (22.3) Recent studies also have indicated that a wide gap exists between individual income in rural areas and that of the population as a whole, even if the family income gap is closing somewhat. In some rural areas, infant mortality rates are 70 percent higher than the national average. (22.3) A non-metro resident is 40 percent more likely never to have received any kind of preventative health care services such as chest x-rays or pap smears (21.8) Occupation-related injuries and illnesses are higher among rural residents (particularly miners, farmers, loggers) than among their urban counterparts. (22.3) The unadjusted death rate for the rural state of Maine is the highest in the country and death rates for heart disease, strokes, cancer, lung disease, and cirrhosis are all higher than for the nation as a whole. (22.4)

In a longitudinal study (1960-1974) of 13 small rural communities in New York State, rural sociologists outlined a number of significant trends in social services gain and loss in recent years. Gains generally outnumbered losses in "social, recreational, professional, health, and welfare services." However, overall losses were reported in availability of economic services (e.g. retail facilities) and communication and transportation services (e.g. newspapers, freight, rail service). Overall, of 85 possible types of services considered–ranging from child care, motion picture theaters and specific retail establishments to fire service–only 17 were found at all in all 13 communities in 1974. Three communities had gained more services overall since 1960; 3 reported no change; but 7 lost more services than they had gained. (15.0) In short, rural areas often are finding themselves more isolated than ever from certain key services and find that costs of access to others is impacting on overall buying power and quality of life.

The statistics point to a bleak pattern, not only in Broadalbin or Maine, but in rural communities across the country. Costs for needed rural services are staggering in many cases and the reality of poverty with which to meet these problems is equally staggering.

A Question of Equity: Support Service Development Policies in Rural Compared to Urban Areas

The widespread lack of certain essential support services in many rural communities is not a problem which developed overnight and the roots of the problem are often highly complex. One major factor is obvious, however: rural communities have been grossly discriminated against in Federal government funding policies. Whereas approximately 34 percent (85 million) of all Americans live in rural setting, here are just a few of the kinds of funding allocation levels that have been set for recent rural programming:

-In FY 1974, only 22 percent of Federal aid to state and local public agencies went to non-metropolitan areas. Only 19 percent of the Federal elementary and secondary education funds and 12 percent of the Federal vocational education funds went to rural areas in the same year. (5.0)

-In FY 1975, rural areas received only 11.7 percent of CETA employment and training dollars and only 4.9 percent of summer youth corps funds. (21.2) Also in FY 1975, less than 10 percent of FHA and VA insured housing loans and 12.6 percent of all defense contracts were awarded in rural areas. (21.2)

With at least one-third of this country's population living in rural communities, it is clear from such statistics that Federal allocation levels have been consistently unfairly low for rural areas ... in everything from housing to education and training ... based on sheer population equity.

The inequity between urban and rural funding allocations becomes even more dramatic when the whole issue of relative poverty levels and diseconomy of scale enters into the picture. Whereas approximately a third of the population of the United States lives in rural areas, an estimated 52 percent of the nation's poor live in such non-metropolitan communities (27.2, 19.0) Estimates are known to be higher than so-called official statistics, mainly because studies have shown that many rural poor or unemployed simply do not show up on official unemployment rolls. (9.0) Moreover, due to higher transportation costs in order to obtain many services and because of the relatively high cost of many kinds of services such as water systems in proportion to the budget as a whole for a community in a rural as compared to an urban setting, rural residents–including the disproportionately high number of the poor in such communities–are actually compelled to pay more for many kinds of services than their urban counterparts. Simply put, low rural Federal funding allocations totally ignore that it costs more not less to develop rural support service programs and systems than in urban communities.

The Rural Development Act of 1972 was intended in part to overcome some of these problems in funding equity, but in fact the program was never funded at recommended levels from 1972-1977. (21.3) The state of Minnesota alone has a backlog of 660 unfunded applications for RDA monies. (21.1) As inflation takes more and more of a toll on the dollars available for community development, rural areas are falling farther and farther behind their urban counterparts in the ability to fund support service programs.

In addition to gross funding inadequacies and inequities, rural areas frequently find that the structure of Federal regulations itself contributes to the problem of rural resource development. For example, project ranking criteria for HUD programs, which make it possible for many urban areas to upgrade their water systems, streets, and other community utilities and facilities, tend to prevent rural areas from making effective use of the funds for such services. Moreover, whereas HUD–with its urban bias–funds 75 to 100 percent of a given project, Rural Development Act regulations limit grants to 50 percent of the project cost. This discrepancy in matching policies grossly discriminates against rural communities which can even less afford a match at all than their urban counterparts, particularly because of debt limits in many states and because of the extremely high cost of most infrastructure projects in relationship to a rural community's tax resources. The Administrative Guidelines for the RDA program in 1975-1976 actually resulted in only 25-29 percent average grant funding levels for rural development programs, meaning that the matching formula inequities in practice tended to be even worse than in theory. (21.1)

Other rural experts have expressed growing concern that there seems to be a tendency to further "gut" those few genuinely rural fund sources for use in urban communities. In recent years, EDA (which was traditionally oriented toward rural counties in its development programming) has been expressing greater interest in a more urban orientation. (21.1) Similarly, in the area of transportation which is already so seriously underdeveloped in rural communities, some government officials are proposing diverting Highway Trust funds–one of the major sources of monies for rural road building and improvement–to development of urban mass transit systems. (21.7)

Underlying such wholesale lack of priority on rural needs are a number of factors. First, there tends to be an unfortunate tendency on the part of many agencies and government leaders to allocate funds and develop programs where the "wheel squeaks the loudest" or where the most votes are concentrated. Rural areas may have higher poverty levels and higher costs in program development than their urban counterparts, but because of the traditional fact of rural isolation and related problems in rural coalition building, rural Americans have not been able to make their voices heard in order to secure the kind of equitable treatment (both in programs and in funding) to meet their local problems and needs. Second, because rural communities are so diverse in terms of demographics, it is not as easy to develop standardized program criteria and funding patterns based on population, unemployment or other "objective" measurable factors in rural areas. By comparison, inner city metropolitan programming is relatively more homogeneous. Hence, as with the issue of rural versus urban transportation funds and programs, there is often a tendency to give up on the more complex rural issues and focus in on the more manageable, "big-population-band-for-the-buck" urban mass transit programs.

Third, the lack of coordination among Federal agencies and the piecework approach to everything from health to transportation programming tends to mean that rural areas will ultimately be left out. Fearing the maintenance of effort syndrome, government agencies have a tendency to attempt to shove old programs off onto other agencies in order to fund new projects and priorities. As a result, many programs simply fall by the wayside after a brief period of funding. Since many types of program development and changes actually take longer to implement in rural communities than in urban America, due to the more tradition-oriented leadership and social patterns, emphasis on quick return or high turnover of program priorities does not take into account the needs and dynamics of the rural communities. The 18-month client cutoff in CETA manpower training programs, for example, ignores the fact that many rural workers in old industrial states such as Michigan who are in need of retraining already have certain short-term training skills such as welding. The kind of help that is needed includes more complex training programs for skills which cannot realistically be completed within 18 months, combined with a sustained economic development effort in the community as a whole to absorb the workers being retrained. In short, the kind of training options open under such guidelines in rural communities is insensitive to both the individual's needs and the long-term growth potential of the community as a whole.

Finally, the whole question of how demographics are impacting on urban-rural discrimination needs to be reassessed. In the area of unemployment, for example, both experts in state unemployment commissions and rural demographers have maintained consistently that rural unemployment figures are woefully inaccurate as a measure for any kind of realistic funding allocation system. In Gadsden, Florida, for example, a comparative field survey showed that actual unemployment in that rural community was more than twice as large as the official rate (20.2 percent as opposed to 9.2 percent). Because so much work in rural areas is either seasonal or parttime, many workers are simply not eligible for benefits. Such rural unemployment also tends to be more chronic than that in urban settings. Figures further demonstrate that for those rural people who are eligible for benefits, the problems of transportation or lack of awareness of services tend to keep people from actually taking advantage of employment programs to which they are entitled. At least 5 percent more eligible Southern urban unemployed actually received compensation than their eligible rural counterparts. (9.0) As a result, not only do rural people have less chance of obtaining employment service benefits, but their chances of taking part in Federal manpower/training programs may also be unjustly limited because of the gross inadequacy of unemployment reporting procedures in their regions.

The statistics and evidence pointing to gross discrimination against rural Americans in govern-
99 ment programming are so overwhelming, it seems impossible that the pattern can continue unchecked year after year. It is vital that rural areas finally learn how to build the kind of national political coalitions that take into account both the diversity and commonality of their interests, in order to make Federal agencies more aware of the kind of mandates that are needed in order to meet rural needs. In turn, the Federal government should realize that it cannot and need not wait for such overt lobbying to help rural Americans identify and find solutions to their most pressing service and development problems. Particularly at a point where massive budget cutting seems imminent across the board, it is essential that the whole issue of rural-urban inequity needs to be addressed at a national level.

The Urban-Rural Population "Turnaround" as it Impacts on Rural Support Service Needs

Underlying some of the current urgency of concern for rural support service needs is the whole issue of why, beginning in about 1970, the decade-long migration of rural population to urban areas has been replaced by a significant flow in the opposite direction in many parts of the country and what impact this trend is having on rural life. In the United States from 1970-1975, metropolitan areas grew only .7 percent as compared to a 1.2 percent growth rate for nonmetropolitan areas (a trend, by the way, which has been observed in European industrialized countries such as West Germany as well during the same period). Some of this change has been attributed to an influx of retirees and vacationers into rural areas, not just in the Southwest and Southeast where climate is perhaps a major factor, but in Northern Great Lakes and New England areas as well. Growth is also especially significant in Montana and Appalachian coal field counties. Except for a few areas in Iowa, Indiana, and Kansas, the Great Plains and Corn Belt areas have not been experiencing this kind of growth and, in general, prime commercial farm areas are still experiencing some outmigration. (18.0)

A second factor seems to be a widespread preference for small town life among the population as a whole combined with more income beyond a subsistence level in urban areas that could be encouraging people to risk a move to a more preferred environment. In a nationwide survey, 75 percent of those responding stated that they would prefer to live in a town of less than 50,000, provided that a city larger than that size were within 30 minutes commuting distance. (4.0) Although income differential between urban and rural areas continues to be about 20 percent, short range economic losses do not seem to be particularly important to urbanites making the move to rural areas as long as lower overall costs would seem long term to offset any initial income loss. (18.0) Given higher transportation and other costs, especially as the migrants approach retirement and are less able to fend for themselves without some kind of assistance, this promise of lower living costs combined with easy access to recreational amenities might be a fallacy. In any case, a recent study by the Michigan State University Ag Experiment Station indicates that crime, environmental quality, setting to raise children quality of health care and schools are all higher considerations than cost of living among those preferring the rural setting. (10.0)

In some ways, rural America is becoming a residential and recreational haven for urbanites who still continue to look to larger nearby communities for retail services and other amenities of life. Further statistics seem to indicate that this urban to rural in-migration is particularly strong among those in lower income, less educated, older age brackets, while a drain of more highly educated, younger, white-collar rural youth out of the nonmetropolitan areas is still continuing to some extent. (12.0)

Some sociologists postulate that, in part, this rural in-migration is influenced by the fact that there has been some significant improvement in rural support services in recent years (particularly in housing) which makes rural living more appealing. (18.0) Potentially, the relatively higher service expectations of the urban migrants could lead to demands for even further, more rapid improvements in services in the rural community. However, the advocacy of additional services by the urban newcomers may create a whole set of new problems. The urbanites high expectations and demand for rapid change is at odds with the traditional rural emphasis on stability and self-sufficiency ... which could represent a threat to the existing social and political dynamics of life in the rural community. Moreover, the relatively older age level of the urban in-migrants suggests that there will soon be an even grater drain on the already inadequate services in many communities, with little hope of radically higher tax incomes to increase available services. The resulting tensions could lead to a social, political, and economic factionalism in rural communities which could actually impede rather than stimulate any kind of joint community agendas for action. (18.0)

Land use and the increased demands on low-cost housing and water/sanitation facilities are only some of the problems associated with the in-migration trend. On Long Island, New York, for example, Suffolk County is enmeshed in a tremendous controversy over the status of farmland usage and potential housing development demands. Over 60 percent of prime potato farming land is already owned by non-farmers at this point. While farmland prices are theoretically set at approximately $1,500 per acre, their value for development purposes is set at approximately $7,500 per acre. In 1980, taxpayers voted to appropriate monies to purchase development rights to farmland as a means of stemming this loss of prime agricultural land, but to date such methods have had limited results. The financial burden of preserving the rural environment is also falling hard on some local taxpayers. Meanwhile, proposed beachfront development projects threaten the environment with pollution and loss of habitat for wildlife and fish. (18.8) Development projects in some areas of the southwestern and western United States present ongoing threats to groundwater supplies as well as air quality in fragile dessert environments and recreational areas. As taxes and land values are driven upward by the influx of newcomers, traditional rural residents may find themselves unable to maintain a viable existence in these rural communities--particularly older residents and those already living at or below the poverty level. But to attack such land use issues as of universal importance in all rural communities is to ignore the fact that in some rural areas in Texas and elsewhere, there is sufficient acreage available to accommodate a great deal of residential and/or industrial growth. (1.10)

In some areas of the western United States, in-migration which could come in massive numbers over the next decade as part of efforts to develop national energy self-sufficiency could totally overwhelm both the ecology of the area and the resources available to accommodate such a tremendous population explosion. Population growth related to the development of the Overthrust Belt oil and gas deposits in southwest Wyoming alone could create the need for more than $200 million in housing, $15.1 million in public facilities, $36.4 million in roads in the cities alone in addition to $700,000 per mile for a yet undetermined number of new highways, and $1.25 million for new sewer and water treatment facilities to serve the 1,000 permanent and 2,000 temporary employees and their families migrating into the area. The proposed 36 synthetic fuels plants in the region would bring in 850,000 more people and would necessitate community development costs of $11 billion. The MX Missile project in this western desert region would bring in still more population and growth in the uranium industry could lead to an influx as high as 136,000 people. A conservative estimate of population growth in the west related to energy development alone has been set at 1,082,176 people. As one western Governor outlined it, this would mean : build 108 new high schools, hire 38,000 new police and firemen, treat 216 million gallons of additional water per day and 1,080,000 additional gallons of sewage per day, develop 26,000 hospital beds, and hire 11,000 medical personnel... all of this by 1990& The positive side of all of this is the tremendous amount of new energy and fuel resources as well as the 182,000 new jobs which will be developed. The negative side is the frighteningly destructive impact this growth could have in terms of the demands put on the environment of these states: particularly on the already rapidly shrinking water tables in the area. Currently, members of WESTPO (the Western Governors' Policy Office) are attempting to outline regional strategies for dealing with this projected population influx (issues which will be explored in greater depth later in this chapter as part of a discussion of rural water and energy problems). (26.3)

In short, the urban-rural migration turnaround represents opportunities for a new kind of "rural renaissance" after so many years of rural outmigration, but with this potential for positive growth comes tremendous problems in the area of community resource allocation and support service development. The sections which follow go into greater detail on some of the specific key areas of inadequate support services in rural areas, including:

--rural health care needs;
--transportation and communication problems;
--housing needs;
--energy, water, and sanitary facility needs;
--child care services;
--access to retailing and recreational facilities.

Health and Medical Services in Rural Communities

> ..."Delivering health care services is particularly difficult where population is sparse and towns are far apart. Experts in rural health have indicated that low population density creates special problems since the critical mass of people in an area is often far less than that usually required for service resources or facilities. This applies, or course, to housing, sanitation, and transportation as well as to health care." (22.4)

At least one in three rural residents (about 35 million people) in this country are living in an area designated officially as "medically underserved." This includes approximately 1,500 of the 3,000 counties and about 5,500 subcounty areas. In addition, there are underserved rural "pockets" located in areas otherwise described as well served. (21.8, 22.8)

The lack of services includes the whole range of essential health care programs:

--An inadequate number of "primary" health care physicians are based in rural areas. (Rural counties average less than 60 doctors per 100,000 people as compared to 200 per 100,000 in large cities. In the category of primary health care, urban areas have about 3 times the number of physicians as rural areas. Twenty-three counties in Texas have no physicians at all and 49 are critical shortage areas. Over 55 percent of Maine's primary health care needs are not being met.) (21.2, 22.3)

--Secondary health services such as mental health clinics, labs, and hospitals simply often do not exist at all in rural areas. (22.3)

--Dental care tends to be inaccessible in many rural areas. Maine, for example, has 37 dentists per 1,000 population compared to 48 per 1,000 for the country as a whole. (22.4)

--Health care assistance payment policies and unsupportive State legislation have tended to impede development of middle level professional health care programs that could alleviate the shortage of physicians in rural areas.

--Preventative health care programs, which could do so much toward improving infant mortality rates, in particular, as well as other basic health care problems in rural communities, are relatively rare (or as in the case of the immunization clinic programs of the Michigan Department of Health, are collapsing due to inadequate funding).

--Health care insurance programs which could help stimulate rural residents to seek better preventative health care are often not available to many rural workers because the parttime nature of their employment in recreational or similar seasonal industries excludes them from such benefits or because they are self-employed in farming. Deductions existing under affordable non-group plans would tend to make health care prohibitive on a day-to-day preventative care basis. The resulting tendency to seek care only in emergency life-and-death situations would tend to explain the higher death rate in rural states such as Maine.

--The lack of supportive services such as adequate sanitary and water facilities and adequate public transportation systems contribute significantly to the health care problems of rural residents and to their ability to access health care services.

--Finally, more consideration needs to be given to stimulating initiatives which would lead to the generation of local rural health problem research.

The root of many of these problems is, quite often, highly complex. Take the issue of manpower shortages in primary health care fields, for example. In the past, primary health care in rural areas tended to be provided by physicians in solo practices ... individuals committed to the very personalized kind of care compatible with the expectations and values of the local rural residents. Rural physicians involved in such health care delivery faced both lower incomes (an average of 60 percent of those enjoyed by urban colleagues) and the professional isolation associated with life in small, remote communities. (21.8) Continuing professional development was difficult (five states--four of them highly rural--including Maine, Idaho, Montana, Alaska, and Delaware do not even have medical schools). (22.6) The number of such traditional rural physicians remains inadequate to meet the needs of the rural population and to further excerbate the problem, many such rural doctors in primary health care are rapidly approaching retirement age. In Maine, for example, the age of primary health care physicians is 52, five years older than the national average. (22.6)

The low salaries of rural doctors compared to their urban equivalents, the professional and social isolation of the rural physician, the tendency toward solo practices in rural communities and the heavy workload that goes with it, the absence of hospitals and other medical support services, and the lack of medical schools in some rural states all contribute to the problem of how to reduce existing health care shortages effectively. In a survey of medical school graduates in Illinois over an 8-year period, young doctors cited the following factors as being most influential in where they chose to practice:

General Economic Conditions of the Area	77% Cited as Important
Cultural, Social Opportunities	72
Educational Opportunities for Children	68
Affiliation with a Hospital	63
Preference of a Spouse	50
Postgraduate Training Opportunities	46
Opportunity to Practice with Other Doctors	38
Born in the Area	37

Virtually every criteria listed, except the final one ("Born in the Area") would make rural areas less competitive in attracting a physician to the community. Above all, based on these criteria, there looms the reality of rural poverty and the income a doctor can expect to earn: of the approximately 34 percent of the population (85 million people) living in poverty in the United

States, as high as 52 percent have been estimated to live in rural areas. (22.5)

In order to give physicians incentives to practice in rural communities, various Federal health care programs have tied compulsory service in rural shortage areas into loans to medical students and into grants to medical schools. The 1976 Health Care Professions Educational Assistance Act requires participating medical schools to have at least 50 percent of residency positions in primary care and scholarships under the Act oblige recipients to a minimum of 2 years practice in a health manpower shortage area. However, these efforts have not been entirely successful. Under National Health Service corps programs, approximately 850 people were placed in 791 sites by 1977, but many rural people distrust physicians recruited through these Federal programs out of the fear that they are only practicing there reluctantly through these Federal program out of the fear that they are only practicing there reluctantly and will be gone in a few years. (22.3, 21.8) These results are similar to the problems with the Taos County (New Mexico) Cooperative Health Association experiment of the 1940s, which rant into the value conflicts of local residents, particularly Spanish-speaking clients, who felt either that they were being condescended to by the physicians in the program or that the kind of group care being offered was somehow inferior to the more personal, stable care offered by the traditional solo practitioner doctors of the past. (14.)

As a result of these recruitment problems, some state medical recruitment organizations such as the Michigan Health Council and postsecondary institutions like Gannon College in Erie, Pennsylvania, have begun experimenting with programs that attempt to identify potential medical school students from the rural communities themselves with the hope that these young people will feel more compelled to return to and remain in a rural community once they begin practice. This approach would seem more realistic in light of the student survey which showed that at least 37 percent of all medical graduates considered their place of birth as a major criteria for choosing where to practice. Under the Gannon model, for example, students can enroll in a one-year pre-med curriculum, at the end of which the most promising students have the option of continuing at Gannon with 2 additional years of such training. After the end of 3 years, these pre-med students then transfer to Halnaman Medical Center, an independent medical school in Philadelphia for 3 more years, after which successful students are awarded both their MD and Bachelor of Science degrees. Graduates then are expected to return to Erie or other small towns in Pennsylvania to compete their residency in family medicine. The entire process of formal training prior to residency was completed in 6 years, as opposed to the more usual eight. Certainly, the attempt to recruit urban physicians to rural areas dare not be abandoned in light of the tremendous need, but there would seem to be a need as well to help rural young people find the financial resources (the Gannon model, for example, is supported by a private foundation) to attend medical school in greater numbers and to help these students overcome the educational barriers which may result from less rigorous high school training than some of the urban peers with whom they are competing for medical school admission.

Because of the stereotypes many rural youth have regarding health careers, it is important at a high school level and younger to help stimulate innovative programming the helps these young people see health fields as achievable, rewarding occupations that would enable them to remain in their rural communities. One interesting possible informal recruitment model is the Educational Action Team program developed by the Eugene, Oregon, schools with the assistance of Professor Kenneth Polk, Sociologist from the University of Oregon. High school students are employed 3-10 hours a week, at the same time earning academic credit, for helping teachers put together curriculum units and then helping teach these units to junior high youth. The projects involve several stages, including survey work to determine specific community needs, identification of work roles relating to these needs, as well as the actual curriculum development and teaching process. This model could easily be adapted to include health care fields (in the case of Oregon youth, for example, focusing perhaps on a unique health problem such as local hepatitis outbreaks in the area linked to groundwater contamination). In Boise, Idaho, for example, a similar project in preventative health care has been attempted, with high school students teaching Drug Education to junior high age youth.

A second major effort to solve the health manpower shortage problem in rural areas has been the movement to overcome the many obstacles to full utilization of mid-level and para-professionals (including physicians assistants, nurse practitioners, and paramedics) in rural counties. Until the passage of the Rural Health Clinics bill (HR 8422) in 1977, Medicare-Medicaid payments regulations severely discriminated against rural areas in the use of these important alternative primary health care providers. According to existing regulations, reimbursement for such mid-level professional services could be made only if a physician were actually present on the clinic premises ... which was a possibility in urban clinics with a larger client population, but which was not the case in rural areas, where physicians assistants were often only in contact through phone or radio with the physician. Similarly, while certain primary care roles could be fulfilled by pharmacists in a rural clinic setting, reimbursement by Medicare-Medicaid was not permitted. With the passage of HR 8422, these impediments have been removed. However, many state laws still mitigate against the full utilization of mid-level medical professionals in primary health care clinics. Since 1969, $65 million in Federal funds has been expended to encourage use of and train such professionals and even more can and needs to be done in this area. According to evaluations of such programs: "Primary Care Clinics staffed by nurse practitioners and physicians assistants are valuable alternatives, especially in remote areas. They have a strong record in recruiting and retaining personnel." (22.3) With the retention a major factor in solving the health care problem in rural areas, this model continues to offer much hope for relieving the manpower shortage on a more permanent basis.

It has only been since the Vietnam war that favorable regulations have made the widespread use of paramedics possible, yet another effective approach to improving rural health care. In rural areas such as Central Illinois, many communities are engaged in ambitious fund raising programs both to encourage such training for ambulance personnel and to furnish the sophisticated equipment needed to develop such mobile medical care assistance programs. Using state and federal funds, the entire state of Illinois has developed a mobile trauma treatment network, linking rural and urban areas to selected trauma treatment hospitals via helicopter. Communities like Peoria have also developed "health care on wheels" clinics, housed in transportable mobile homes, that go out with teams to housing projects and isolated communities on a regularly scheduled basis in order to provide preventative health care and other services to the poor, elderly, and others who cannot afford the transportation costs or otherwise access needed medical assistance.

Other experimental group health care delivery systems also have been singled out as worthy of priority attention, among them ambulatory core health care centers with groups of doctors working together to meet rural community health needs and relating to one another as a means of overcoming the isolation of rural practice. By 1976, 164 such centers were operating nationwide, many of them including the widest possible range of services, including pharmacy, dental, mental health, and even lab facilities. In 1978, HEW, FmHA, and DOL launched a 3-year program to build 300 such rural primary health care centers, coupled with a program to train 1,000 poverty level people for related allied health jobs. (27.1) Similarly, as of 1976, Medicaid grants had successfully funded 15 health care "satellite sites" in remote areas linked to established health organizations. But it must be emphasized that the kind of multi-faceted health care program described here takes an average of 3 years to develop–which points again to a need for funding stability in Federal programming geared to developing such rural models. (22.3, 22.1) Still another initiative area is the funding of facilities for rural health care practitioners. Studies of such systems in Canada have shown that local initiatives from the private sector can be successful, but rarely is it practical to depend on the efforts of private business enterprise ... where the need to realize a reasonable return on investment often makes rental or purchase prices for physicians unreasonably high given the average income of the rural health care practitioner. Most successful among the Canadian initiatives were efforts to stimulate professional community service clubs to build and maintain facilities as part of their charitable community service program. (22.1)

With the current stalemate in efforts to fund a national insurance program, it is particularly essential to assess what ramifications this policy has for rural residents. In fact, the lack of such a program discriminates severely against rural residents, many of whom have totally inadequate health insurance protection because of the parttime nature of their employment (in recreational or seasonal jobs) or because they are self-employed. With access to health care so costly in rural areas and with the high poverty rate and already low salary levels in rural as compared to urban communities, private non-group plans with their relatively high deductions make preventative health care a luxury for many rural residents. Medicaid plans further discriminate against the rural poor, in that unlike the urban poor, over 70 percent of those under the poverty level in rural areas are two-parent homes with the father employed ... while Medicaid benefits go mainly to one-parent households. Thus, many rural residents find themselves too "rich" for Medicaid, yet too poor to afford primary health care without adequate insurance protection. (22.3, 22.4)

There is also a critical need to recognize the links between other inadequate services and the problems rural Americans face in receiving adequate health care services. Poor roads, high gasoline costs, and lack of public transportation systems make it extremely difficult for many rural residents, particularly the poor and the elderly to receive adequate care, especially since 20 percent of all rural residents (as compared to 10 percent of their urban counterparts) must travel more than a half hour in order to obtain health care services. (19.0) Similarly, lack of adequate water systems in many rural areas represents a formidable health hazard and the inability to link into municipal water systems, especially in the South, leads to the existence of many households in rural areas without access to fluoridation as part of their preventative health care services. (22.3)

Finally the whole area of rural health research could stand further scrutiny, as the following example of one small county in Michigan indicates. In one small rural town in central Michigan in the 1970s, a new hemodialysis unit was introduced into the local hospital. After an unusually high patient morbidity rate, research was conducted which lead to the conclusion that unusual chemical additives in the local water supply was, in effect, poisoning the hemodialysis patients. In a neighboring community, located several miles downstream from major chemical plant dump sites, an unusually high incidence of a rare form of cancer was detected by a local physician. Further research was obviously needed. Yet, it is unlikely that such problems are explored due to lack of adequate research staff, facilities, or funds. Initiatives could be established to encourage local private industry and postsecondary institutions to put their labs, computer facilities, as well as technical staff at the disposal of local physicians in pursuit of such data.

UNMET TRANSPORTATION-COMMUNICATION NEEDS IN THE RURAL SETTING

The statistics above regarding the plight of rural residents in obtaining adequate health care (more than 20 percent face travel of a half hour or more to find such assistance) is symptomatic of the impact transportation has in the rural environment. (19.00)

--About 60 percent of communities with 2,500 or less population have no taxi service. (19.0)

--Only 31 percent of the towns with 50,000 or less population have a public transit system. Intercity bus lines serve only about half the towns of 50,000 or less, and since 1972, 1,800 small towns have lost such intercity bus lines. (19.0)

--Fifteen percent of all rural households (57 percent of the rural poor and 47 percent of the rural elderly) do not own a car. Fifty-two percent of rural households only have one car, which cuts off the rest of the family from any reliable means of transportation when the wage earner is out of the home. (19.0)

--Less than 1 percent of rural people working outside the home have public transportation as an option for getting to work. (19.0)

- Regulated air carriers, even prior to the recent cuts due to the nationwide fuel shortages, had cut out nearly 200 service points by 1978 (30 percent of the total served in 1960). (19.0)
- While most rural areas long ago lost any meaningful railway passenger services, they are now faced with loss of motor and rail freight service as well ... which represents a formidable threat to the ability of rural areas to compete successfully in marketing their agricultural products or manufactured goods.
- According to Department of Transportation estimates, not only are half the local roads in rural America in "intolerable" condition, 105,500 bridges nationally have been designated as needing replacement or repair–particularly in rural communities. In rural Blue Earth County in Minnesota, for example, 59 of 181 bridges fail to meet minimum safety standards and some communities in the area have roads which are so bad because of flooding and disrepair that for at least 3 months of every year, these villages are inaccessible to truck traffic. (21.1, 21.2)
- With local daily and weekly newspaper becoming increasingly less viable financially, many rural communities are losing what remaining communication mechanisms they may have had to break the isolation and retain the community's sense of identity.
- Past cuts in postal service and proposed programs to close as high as 57 percent of existing Post Offices (ostensibly without "hurting" service) would deprive thousands of communities of adequate communications systems in rural areas. Similarly, proposals by the General Accounting Office to the Commerce Department have been made to cut essential weather forecasting and storm warning service in rural areas. (21.7)

The kind of transportation and communication needs outlined above impact not only on the ability of rural residents (particularly the poor and the elderly) to access other vital services such as health care, but also dramatically effect the ability of rural residents to find employment, market their products, and communicate with one another in ways that enhance the ability of a village or county to find employment, market their products, and communicate with one another in ways that enhance the ability of a village or county to find common solutions to political, social, and economic problems. Because of the great diversity in the geography and demographics of the many different rural communities (for example, whether or not a given state is located so that the Federal Interstate highway system can act as major in-state travel arteries as well), it is difficult to deal with upgrading rural transportation services on some kind of national "formula" plan. But certain basic priorities are apparent.

First, greater coordination needs to be developed among federal, state, and local transportation programming so that existing funds are utilized with as little waste as possible. As of 1979, there were more than 114 different programs providing transportation assistance in rural areas, 65 of them coordinated and/or operated by the Department of Health, Education, and Welfare at a level of over $500 million per year. (20.1) Because many of these programs overlap, duplicate on another, or are excessively categorical, local and state leaders often find it difficult to make maximum use of existing funds. Fearing maintenance of effort problems, Federal agencies also tend to pass off ongoing transportation programs elsewhere as new programs come up, which results in a net loss, rather than a gain in services at a local level. (20.4) Over a 3-year period in the mid-1970s in Missouri, for example, Title XX Social Security monies for senior citizen transportation decreased about 40 percent–at the very point where gas prices were skyrocketing and the need for services was growing accordingly. (20.3) The fragmented nature of rural transportation programming also tends to result in the "deprioritizing" of the whole issue. Because the returns on urban mass transit are relatively visible compared to the complex problems and high costs of improving rural transportation, increased pressure is being applied to "raid" Highway Trust funds, one of the last major sources for improving rural highways, to be used for funding such urban systems. (21.7) Federal agencies–including the Departments of Transportation, HEW, Agriculture, and Labor as well as the ACTION, and the Community and General Services Administrations--began an initiative in 1979 to develop a more coordinated rural transportation effort:

-attempting to amend regulations which are either excessively rigid or so categorical that state and local agencies cannot effectively utilize funds, to simplify grant application, accountability, and other logistical procedures, and to make insurance more affordable;
-attempting to build in more incentives that encourage local sharing of resources by agencies, volunteerism, and private sector transit programs;
-attempting to link CETA and other training programs to efforts to build improved rural transportation networks. (27.2)

Such efforts at a Federal level should continue to receive highest priority attention.

Second, it is important to recognize that Federal agencies alone are not to blame for the rigidity of programming that inhibits rather than aids local transit system development and sharing of vehicles or funds by various rural constituent groups such as the poor, the elderly, or the handicapped. For example, most states have rigid laws regarding school district transit equipment which acts as a formidable barrier to innovative community program development. In the South, where transportation problems are particularly acute, the public school transit network could be a logical system on which to build a community transit system: yet regulations strictly prohibit such non-school use of school equipment, tax-free gasoline, and related materials. Georgia, where the public school bus system is run on a statewide as opposed to an individual district basis (the largest public bus system outside the Soviet Union) has begun to deal with this problem in a highly innovative series of the Soviet Union) has begun to deal with this problem in a highly innovative series of steps in recent years. The state legislature passed a bill permitting use of school buses for transportation of the poor and elderly at the discretion of individual school boards. Simultaneously, those involved in community education began working with the state mandate that all citizens have a right to educational opportunities to determine what specific transport needs are preventing senior citizens and the indigent from participating fully in community life. Valdosta State College, for example, was involved in a survey by local high school students which pinpointed the exact location of elderly residents with transport needs in one rural county, including information about when during the week such services were most needed. As individual school districts come to perceive this possible expanded service mission as a means of building better communications and voting coalitions with their rural elderly constituents, ways are also being explored of linking various federal transportation funds targeted for the elderly to help defray costs of gasoline, maintenance, and labor in order to expand use of the school bus system for a larger population within the community. (28.0)

Rather than discouraging or impeding such local collaboration, Federal programs should attempt to stimulate and reward such efforts wherever possible. In many communities, where compartmentalization and rigidity of regulation is particularly acute, some stronger kind of Federal impetus might be needed. At a National Goals Conference on education-economic development linkages in rural America held in Fall, 1980, local rural experts and leaders called for the formation of Regional Transportation Authorities as a means of ensuring such coordination of a local as well as state and national level.

In addition to aiding expansion of transportation around existing local agency systems or volunteer efforts, governmental units at all levels need to reassess what can be done to encourage and publicize innovative private sector and private enterprise solutions to rural transit problems and lack of labor force mobility. Since the country's first "vanpool" system was introduced by the 3-M Company in 1973, more than 200 employers--as well as unions, local employees, and municipalities--have begun similar systems. If vans are corporately owned, drivers are rewarded by incentives such as free use of vans for personal use on weekends or the opportunity to make a small profit. Particularly in the South, the glut of large "gas guzzlers" has led growing numbers of workers who could not otherwise afford cars to develop cost-sharing "jitney" systems. An average vanpool saves an estimated 5,000 gallons of gasoline per year as well as eliminating 6 tons of air pollution, in addition to the benefits to the many workers who could otherwise ill-afford to get to work in rural areas. The Federal ridesharing interagency initiative program begun in 1979, as well as the Energy Tax Act of 1978 with its tax incentives to private employers initiating vanpool systems are all positive steps which should be continued. (27.2)

Beyond the issue of human services transit needs in rural areas is the whole question of transportation regulations and funding as it impacts on the economic viability and accessibility of rural communities. Representatives of the American truck industry, for example, point to the proposed deregulation of trucking systems as a policy that could have a devastating effect on many small communities. In a nationwide survey of 900 freight carriers, less than half said that they would continue to serve communities of less than 5,000 people if deregulation went into effect. (2.0) A recent Federal rural Task Force on Agricultural Transportation in the United States also pointed to the issue of standardizing load and size limits for trucks (as well as use of doubles) on interstate highways as a problem that needs to be discussed as a problem that needs to be discussed as part of a conscious Federal economic development policy. With fuel costs skyrocketing, farmers need to be concerned for maximum marketing efficiency which is greatly complicated by the circuitous routing demanded by the length and load restrictions placed on trucks in pivotal central states such as Minnesota, Tennessee, Iowa, Missouri, and Mississippi. Yet as state representatives point out, mandating elevating such limits to some uniform national standard does not take into account the added wear and tear heavier loads would place on the interstates at a point where funds for repair are shrinking. Discussions of the wisdom of 55 mile-per-hour speed limits for agricultural traffic (in particular for perishable commodities) also impacts on road deterioration as well as conservation issues. (25.0, 28.0) While Task Force members were not unanimous in their recommendation to set 80,000 pounds and 65 feet as the maximum load and size limits on Interstates and other major highways, there was more concensus that Congress needs to consider possible legislative incentives to States as a tool for resolving the load/size limit controversy. Experts also recommended increasing the types of agriculture-related materials exempted from freight regulation, simplifying interstate licensing procedures, developing standardized contracts of haul by the Secretary of Agriculture for certain kinds of agricultural products, and continued assistance by USDA in helping provide unregulated truckers with the data needed for them to remain competitive. (23.0) Representatives of WESTPO (Western Governor's Policy Office) go even farther in encouraging states to develop cooperative "electronic marketing" systems that make maximum use of technology in determining the most effective overall transit patterns for agricultural regions. (26.9)

From a "bricks and mortar" perspective, rural experts express great concern for the lack of adequate Federal, state, and local funds to rehabilitate roads and bridges, not only in rural areas, but parts of the Federal Interstate system as well. With railroads proposing to abandon increasing numbers of rural branchlines, even greater strain is anticipated on existing rural road and highway infrastructures. Witnesses before a recent series of hearings on agricultural transportation proposed that both more Highway Trust Funds and Safer-Off-System-Roads Program monies be allocated to dealing with rural road problems (particularly with the ongoing reduction in the Federal-aid secondary read program). Recommendations also included loosening excessively inflexible Highway Trust Fund regulations and continuing the Off-System program even after the interstates with which the program is associated are completed. (23.0) Particular discussion needs to be given to state level or other appropriate kinds of assistance programs to remote rural areas or those which by accident of geography are unable to link into interstate systems easily. With shrinking rail service and lack of freight access because of seasonal flooding or deteriorating bridges, many small communities will soon be unable to either market their commodities or access products and materials.

The whole issue of the future of rail service in rural communities is a highly volatile one: from the perspective of business, industrial, and agricultural representatives, as well as from the viewpoint of rail officials themselves. The recent Federal Task Force on rural agricultural transportation cited rail officials themselves. The recent Federal Task Force on rural agricultural transportation cited rail transport as the most hotly contested transportation problem discussed in the hearings. The Task Force as a whole agreed that railroads must be allowed to abandon more marginal branchline systems, but agreed with agricultural experts who felt that some proposed abandonment targets could often be viable if roadbeds and crossings were upgraded. Shortages of available railcars were cited by producers most often as the single greatest problem they faced in accessing rail service. With the increasing use of "unit trains" to expedite agricultural marketing, small producers complained of the total inability of some regions to get rail cars to ship their goods, yet rail companies discriminate against cooperatives that own their own cars. Rail carriers, meanwhile, cited labor problems, excessive regulations regarding labor and line abandonment options, as well as an excessive turnaround time on abandonment petitions as all factors contributing to the perceived poor quality of service they were able to provide. (23.0)

Task Force representatives recommended a more flexible system of rail legislation that would enable producers to negotiate contracts in addition to the system of existing regulated contracts and common-carrier service requirements. Special concern needed to be given to protecting captive users and those who cannot fit into "unit train" marketing patterns, to basing rail abandonment on better data procedures including the System Diagram Map Process (part of the 4-R Act of 1976), shortening abandonment deliberation proceedings from the current year or more to a maximum of 195 days, and coordinating branchline rehabilitation programs of DOT, DOC, and USDA as much as possible. The Task Force also recommended expansion of the redeemable preference share loan program for rail rehabilitation (particularly for those lines serving the export market), assisting small shippers in contracting for services through a short-term joint USDA-DOT information-sharing project, and developing such model programs as a rural "transportative cooperative" system and a demonstration fleet of free-running freight cars as a means of alleviating the general shortage of covered hopper cars. Because rail management has not taken advantage of loosened restrictions under the recent 4-R Act in order to improve services, the Task Force strongly recommended Federal monitoring of recommended changes and programs, as well as aggressive agency interaction with rail officials to promote more innovative, flexible stances on the part of rail companies to service improvement. (23.4)

In the past twenty years, waterway transportation has become increasingly competitive as an agricultural shipping system, especially in the case of export commodities. In 1960, only 14 million tons of grains and oilseeds were shipped by barge, compared to 50 million tons in 1978 (about 40 percent of the export total for these products). Because of the high fuel efficiency of water transport, this mode of shipping is expected to grow radically in the next decades. In order to facilitate this development, the Agricultural Transportation Task Force has proposed accelerated construction of the Locks and Dam 26 at Alton, Illinois, by the Corps of Engineers, authorization of a second lock at that site to expand export transit capacity and to deal with emergency closing of the main lock, consideration of expanding the Snake-Columbia River system Bonneville Lock, and discussions with Canada regarding expansion of the Welland Canal linking the Great Lakes with the St. Lawrence River. (23.0)

Finally, in the area of air services, rural businesses and industries seem to be more affected by service reductions than agriculture. Some farm producers report reluctance of air carriers to assume liability for perishable commodities since deregulation of air cargo went into effect, but the Transportation Task Force recommended that a longitudinal study be undertaken to monitor this impact on air common-carrier obligations. While regulated carriers have eliminated service to 30 percent of all communities served in the last 20 years, more than 200 commuter airlines have been created during that period to help fill those gaps: now serving an estimated 400 communities more than half of which have no air service other than a commuter line. More than $200 million was targeted in fiscal year 1979-81 by EDA, SBA, and FmHA to extending commuter air service and upgrading of small community air facilities. In many cases, if rural communities are to be able to successfully expand their industrial bases, some form of special incentives to the private sector and governmental loan assistance will be needed to stimulate such efforts to improve the accessibility and competitiveness of rural communities. (27.2)

Finally, government at all levels needs to expand its vision to the whole issue of communication programmatic needs and initiatives, not merely mortar, equipment, and social services. On one level, the problem is one of very specific local communication needs: access to postal and weather information, and the need for media communication that binds communities together as viable political entities. With more and more rural newspapers falling victim to rising publishing and distribution costs, greater emphasis needs to be placed on stimulating alternative rural communications systems at a local level. Some rural communities have found that innovative local public service cable television and radio programming have been highly effective as vital community media linkages. Yet in more remote areas, such options do not exist. About 1.2 million rural households do not have access to even a single television channel; on the average, rural households receive only half the number of channels available to urban households. (27.4)

In part, restrictive regulations at a Federal level designed to insure adequate broadcasting competition in urban areas have actually mitigated against service development in rural areas. Responding to this problem, a number of key government agencies announced a series of initiatives in 1979 to deal with expanding rural communications options: (27.4)

- –The National Telecommunications and Information Administration (NITA) of the Department of Commerce submitted proposals to the Federal Communications Commission calling for abandonment of cable television ownership restrictions in rural areas and for development of a class of new low power broadcast stations adapted to rural conditions. Under the aegis of the civilian space program, NITA pledged to assist agencies at all levels (Federal, state, and local) to acquire satellite communications services in rural areas. In 1979, NITA also administered $18 million in grants to rural areas with inadequate public broadcast services.
- –The Department of Agriculture initiated a program to assist rural telephone companies develop television and other communications services, including incentives such as direct loans and loan guarantees to make necessary phone line changes.
- –A coalition of agencies (including Agriculture, Commerce, HEW, and CSA) funded demonstration projects in 13 states to assess the feasibility of using telecommunications systems to provide health, educational, and other vital services to remote rural communities.

Such relaxation of regulations and model demonstration funding would both tend to encourage innovative programming by the private sector and would encourage public agencies to experiment with new uses of technology in meeting communication as well as other essential service needs of isolated rural citizens. In light of the vital services function broadcasting can play in rural areas, current trends toward minimizing such public service responsibilities needs to be seriously reassessed.

On a more profound level, it cannot be stressed enough that the lack of adequate information and data is among the most single pressing problems facing rural Americans in their quest for local development. Lack of critical information regarding legislation, funding, demographic trends, and model programming has tended to reinforce rural isolation and contribute to a fear of outreach and innovation. Some more venturesome communities–some of them out of a desperate drive to capture as many of their otherwise "lost" tax dollars as possible–have managed to overcome a general rural distaste for government complexity and fear of Federal interference in order to secure the technical and financial help needed to deal with local problems beyond the scope of their on meager local resources. Thousands of others have tended to stagnate, not by choice, but by an inability to find the appropriate assistance or by the inability to effectively impact on political decision-making.

The technology now exists that would make this kind of isolation unnecessary. Rural leaders from all over the United States who attended a series of national Goals Conferences on Linking Education and Economic Development in rural areas in 1980, pointed time and again to a critical need for a centralized computer information bank dealing with vital grant, legislative, demographic, and model programmatic data that could help rural communities network with one another and key rural experts in Washington and around the country in order to solve common problems and locate needed funding and other kinds of assistance. Retrieval mechanisms, including over-the-phone document transmission equipment and computer terminals, are becoming accessible and reasonable enough that soon even the most isolated communities could realistically tap into such a resource bank. A growing number of urban private and public sector organizations are already utilizing such systems. If rural areas do not quickly learn to take advantage of this new communications technology and begin some sort of effective nationwide information sharing program, they will find that their lack of access to data and technical assistance--already so acutely felt--will cause them to lag even further behind urban America in economic, educational, and support service development. A whole series of rural networking initiatives will be described in greater detail in this chapter as part of a discussion of the issue of rural "capacity building." In some respects, the widespread lack of access to information and inability to impact effectively on government policy is the most damaging kind of discrimination faced by rural American communities. (13.0)

HOUSING NEEDS OF RURAL AMERICANS

To be sure, tremendous progress has been made in rural housing development in the past 25 years: by 1975, 58 percent of all rural housing had central heating as opposed to 23 percent in 1950. Substandard housing in rural areas declined by 79 percent from 1970-1975 as compared to 69 percent for urban America. (3.0) Yet, rural areas continue to lead urban America in the amount of substandard housing units still being utilized. As of 1975, 8 percent of all occupied nonmetro housing units were substandard as compared to 4 percent for occupied metropolitan units. In other words, 1.9 million rural households continue to live in substandard conditions. A disproportionate number of these rural households were either Black, poor, or elderly: 28 percent (compared to 15% in 1950) were Black; 35 percent had a head of household over 65 (compared to 18% in 1950). Of these 1.9 million rural households, 57 percent earned less than $2,000 a year in 1975 (constant 1950 dollars). (3.0) In some states with high rural populations, the situation is particulary acute. Among rural Alaskan native populations, for example, 8,000 out of about 11,000 occupied units are classified as substandard. (21.5)

With mortgage and home improvement loan interest rates increasing so dramatically, the problems of further improvement in substandard housing and adequate availability of new housing to meet the growing population in rural areas are serious issues. As urban migrants to rural areas push demand for housing, housing costs, and taxes to meet new demands for services upward, the poor, the elderly, and minorities living in rural areas will find it increasingly difficult to afford what housing they do have. In the past, many rural communities have resisted proposals to systematically participate in programs that would stimulate low-cost housing development for the poor or elderly out of some fear of changing the demographics of the community. Because statistics clearly show that the rural population is tending to "age" faster than the population in general, however, demographics are changing in rural America, and government at all levels--Federal, State, and local--must take these trends into account when proposing any future rural housing policies.

Several recent Federal initiatives point to awareness that the housing priorities of rural Americans are shifting somewhat. A model $7.5 million rural housing "set-aside" project was begun in 1979 to construct 10 "congregate" elderly housing facilities, with social services provided on-site. (27.1) An Interagency Program to Improve Farm Worker Housing, funded under the CETA

Title VI Farm Worker Act is in the process of funneling $8 million in funds into 28 states to improve existing and create new housing units for migrant workers. As of fiscal 1980-81, the second year of the program, an estimated 500-800 units had either been built or were being rehabilitated, utilizing an additional $40-50 million in leverage funds. With DOL acting as lead organization for the project and providing 90 percent of the funds, HUD, CSA, and FmHA all contributed staff and designated liaisons within their own agencies, targeted set asides within certain of their own programs for the project or actually contributed funds in order to reduce fragmentation, eliminate duplication, and produce the maximum program impact through close coordination and cooperation of personnel. Dialogue has been established with other agencies to attempt to link this program with Department of Energy solar energy programs, Health and Human Services health care programs, and crisis intervention programs for migrant workers. These kinds of specialized programs recognize the growing inability of the low income farm workers and elderly to cope with housing problems in rural communities and should continue to be given high priority ... especially as agencies are attempting to coordinate funding in order to achieve maximum programmatic impact. (24.0)

Organizations in the western United States such as WESTPO (Western Governor's Policy Office) have also expressed concern for the possible strains on existing housing imposed by various private and public energy programs in their regions, including development of oil and gas production along the Overthrust Belt and possible population explosions resulting from the projected MX Missile program, and the various synthetic fuels and oil shale projects proposed for the region. Demands caused by the Overthrust development in southwest Wyoming alone is estimated to be more than $211.5 million just for land, housing construction and/or mobile home purchases in order to house project workers, to say nothing of strain on other related community services and resources (26.3)

RURAL SANITARY FACILITY, WATER AND ENERGY PROBLEMS

Just as inadequate transportation services affect not only quality of life, but also economic development potential in rural communities, so the whole question of energy, water, and sanitary services impacts on both the human and economic needs of rural areas:

--1.5 million rural residents live in homes without running water; 7.2 million rural Americans utilize wells or other water sources which do not qualify as safe drinking water; another 6.5 million rural people are serviced by community water systems which fall below minimum Public Health Service standards; (27.3, 21.8)

--An estimated 32,000 communities in the United States needs water and sewer systems; more than 2.4 million rural residents have inadequate sewage disposal services; (21.1, 27.3)

As American farms have become larger in order to survive, they have also become increasingly less labor and more energy intensive ... a trend which is now running hard up against the realities of soaring energy costs. (16.0, 17.0)

--In areas of the Southwest and Pacific Northwest where agriculture is so heavily dependent on massive irrigation systems, energy costs and the rapid loss of groundwater reserves is bringing the entire viability of agriculture in some regions into question. In Nebraska, Colorado, Kansas, Texas, and Oklahoma — which produce 23 percent of all American farm products — water tables have dropped so significantly that geologists warn that many western areas may be out of irrigation water within 20 years. (21.9)

Heavy emphasis in recent years on environmental considerations, failure to adjust regulations regarding water and sewer system technology to rural conditions and economic feasibility, and persistent underbudgeting for Federal programs to assist rural areas in such systems development have all contributed to effectively eliminating many small rural communities from competing for industrial development to improve and diversify economic bases and offer new employment options to workers displaced by the mechanization and consolidation of American agriculture. Pending economic policies once again propose cutting loans and grants for rural water and sewer systems from $1.0 billion to $600 million, failing to take into account the legacy of such underfunding of rural projects. In 1978, for example, only $250 million was proposed for Rural

Development Act water and waste disposal grants and loans, despite the fact that in 1977 there was already a backlog of $1.7 billion in grant and loan applications in that category. (21.1)

The case of Broadalbin, New York, cited earlier in this chapter is a stark example of the tremendous frustrations small communities face in attempting to upgrade inadequate water, sewer, and sanitary facilities. While it would be folly to propose wholesale abandonment of environmental regulations in rural areas in order to attract potential industry (as is, rural areas have too long become the convenient dumping grounds for urban industrial pollutants), Federal and state agencies need to be more sensitive to the realities of existing rural services, service demands, and the costs for developing such systems when proposing legislation of a regulatory nature or related to funding priorities. It is particularly important to remember when assessing the extent to which the private sector is to be saddled with environmental protection costs, how appropriate some requirements and the resulting costs might be in light of the small scale of many rural businesses and industries.

As part of a Federal initiative begun in 1978, an Interagency Coordinating Group–made up of staff from the Environmental Protection Agency, the Council of Environmental Quality (CEQ), the Community Services Administration (CSA), and the Department of Agriculture (FmHA), Housing and Urban Development (HUD), Commerce (EDA), and Labor–began working on agreements that would better coordinate rural water and sewer programs at a Federal and state level: (27.3)

–identifying lower cost technologies suited to rural population demands and scaling down programs and regulations as needed and appropriate (including use of funds for individual household systems);

–reducing paperwork and administrative requirements for communities receiving funds, including incorporating 16 major sets of Federal laws and regulations into a single set of regulations;

–enforcing sharing of needs assessments and similar documents at a Federal level, rather than continuing the practice of each agency having their own set;

–cutting down the application processing procedure and time involved;

–utilizing CETA funds to train 1750 water and wastewater treatment technicians to meet manpower shortages in rural communities.

This effort needs to be encouraged and intensified, both from the point of view of eliminating waste and overlap and of making it possible for rural areas to develop systems appropriate to their unique local needs.

The issue of water services goes far beyond the question of adequate facilities for individual and industrial needs, however. In many areas of the United States, the heaviest use of water is neither by households or industry, but by farms and related agricultural enterprises. With drought or near-drought conditions in large areas of the west as well as in the New York area in recent years, the problem of water usage priorities is becoming more and more urgent. The situation in Colorado is a good example:

> In the conflict over water usage, urban advocates point out that only 2.7 percent of the water in the state is used by municipalities, 2.3 percent by industry, while 95 percent is utilized by agriculture. If farmers represent only 3 percent of the state's population, this usage pattern--on the surface–would seem unrealistic. As Morgan Smith, Colorado's commissioner of Agriculture points out, however, such reasoning fails to take into account how much water is needed for feeding the average Colorado household: while only 220 gallons of water per day are used by the average citizen, if the water needed to produce the typical daily diet of 2,572 calories is added to the "domestic usage" column, 4,533 gallons needs to be added to the 220 gallon figure! (26.8)

Not just in Colorado, irrigation, fertilizer production, and food processing all demand utilization of tremendous amounts of water in many areas of the United States. In Nebraska, groundwater levels have dropped so dramatically that farmers are literally at ware with one another in some cases over use of water for irrigation. Some states such as South Dakota, Texas, Oklahoma, AND Kansas have begun to formulate policies regarding water usage (with a variety of systems such as establishment of groundwater districts, mandating automatic cutoff values on irrigation systems that limit water use or metering fee systems to encourage water conservation). In the case of the Colorado River, the states of Arizona, Colorado, and California have had to set basic regulations governing the amount of water to each state. But for the most part, the problem remains unsolved and highly controversial. The Central Arizona Power Project along the Colorado River that will generate electricity needed by cities such as Tempe, Phoenix and West Phoenix is proceeding toward completion, but some experts privately lament that this energy availability will only further encourage residential growth to the detriment of agricultural water needs elsewhere. Farmers in some areas of the West are finding it more profitable to sell their water rights to local communities for as high as $8 million, meanwhile risking dryland farming and taking crop losses as tax write-offs. The Peripheral Canal in California continues to divert water used by small farmers in the Sacramento and San Jacquin Valleys across the state for use by large farmers in the Southern San Jacquin and Imperial Valleys and for human consumption in the Los Angeles area. Experts fear that such water removal could result in a salinization of the water supply in northern California, making the region totally incapable of agricultural production. Despite attempts at water usage regulation in Texas, Oklahoma, and Kansas, water tables in the Ogallala Aquifer are continuing to go down by a foot or more a year. (25.0, 26.0)

Given the magnitude of the conflict over water resources and the fact that the issue transcends local and state boundaries, it would seem appropriate if not essential that the Federal government assume some kind of responsibility for initiatives in this area. Government hydroelectric projects, as well as proposed energy initiatives--such as coal slurry projects, synthetic fuel and gas liquification plants, oil shale mining--all are attempting to solve one specific set of resource problems, at the same time magnifying the water use issue because of the tremendous amounts of water used in these technological processes. Similarly, construction of the proposed MX-Missile system will place tremendous water resource demands on areas already facing critical water shortages. Some residents of rural Mercer County, North Dakota, fearing the same impact on plant life caused to the west of them by a coal fired electrical generating facility, have grave doubts about the impact the synthetic fuel plant under development in Beulah will have on local agriculture. Proposed lignite strip mining operations in the western part of the state might not interfere with water demands of local dryland farms and ranches, but with each mining operation, as much as 50 square miles of land would be taken out of production and future land reclamation techniques on such a massive scale are not proven. (26.0)

The question is partly the whole viability of government energy policies in many areas, but also is partly one of a more studied, balanced Federal role in solving the interstate issues of water usage by the various regions, states, populations, and economic interest groups. Innovative low water-demand agriculture (including cultivation of guayule and jojoba as sources of products like rubber, waxes, and oils for industrial use) and projects such as coal slurry systems using methanol or ethanol instead of water need to also be explored as possible solutions to both the water shortages and need for energy development in western areas. (26.2, 26.9)

In the area of energy development overall, rural areas are paying dearly for policies which so long encouraged artificially low petroleum fuel prices. Rural school districts, faced with high labor and building maintenance costs, looked to the relatively cheap expedient of consolidation and long-range busing of students as cost saving measures. Now, with energy costs soaring, the whole consolidation concept is being brought into question. Moreover, some educators are beginning to point to the tremendous price in human terms being paid by young rural children who spend up to 3 hours a day of their lives riding a bus instead of studying or participating in family or community activities. Similarly, in the case of rural agriculture, some experts are predicting that current energy costs combined with growing groundwater problems could trigger a dramatic revolution in American agriculture. For years, sociologists have written of the dangers to rural communities in the decline of the small farm, as larger and larger agricultural units became increasingly viable from a financial point of view. With energy costs driving up the price of massive irrigation and long distance transportation prices to Northern and Eastern metropolitan centers, small Northern family farms may once again be in a position to successfully compete in the food production market. (17.0)

In general, farmers may have to rethink the "resource mix" used in farm production--possibly with labor and land costs increasing in proportion to capital. This could "reverse present trends toward larger and fewer farms, as measured by gross sales and by land area." Energy costs could also lead to more reliance on organic farming and a return to mixed farming and crop rotation:

> "With high product prices and changed diseconomies of size, the requirements for intensive management might increase and size of farm would change accordingly." (17.0)

No one is seriously proposing a return to extensive use of horses or manual labor to combat the cost of gasoline, but the relative viability of large and small farms certainly has been opened to possible reinterpretation. More and more farmers will also need to rethink innovative group cooperation strategies as means of getting around the high capital outlays needed for more energy efficient equipment. (16.0) Decentralization in retailing and other new marketing patterns such as regional "electronic" agricultural marketing and interstate grain contracts need to be explored. (26.9)

Above all in the field of energy resource development, rural leaders such as those represented at the 1980 National Goals Conferences linking education and economic development are pointing to a priority need to make better use of proven energy technology and incentives appropriate to each individual community's unique environmental needs and resources ... rather than dogged Federal pursuit of high cost, high risk massive projects such as the synthetic fuels programs. (13.0) To date, most Federal energy programs have failed to take into account the act that in scale and scope the energy needs of 50 million rural Americans are fundamentally different than those of their urban counterparts. As a representative of the Texas and Southwestern Cattle Raisers Association expressed it:

> "Not only are the energy needs of rural America different, but they are mandated.
>
> We cannot switch to coal. We can't walk to work and we can't train all those coyotes to pull a plow. The gospel of conservation won't save us because we don't waste. Nobody ever went joyriding on a tractor or left air-conditioning on in a pasture." (21.10)

No one is denying that American agriculture cannot and need not become more energy efficient. The point is that emphasis to date nationally has been on conservation measures and technology best suited to the urban environment or to urban needs. Proven alternative energy technology exists for small scalewind, solar, scrap wood and gasohol systems, tidal and other hydro-electrical generation systems which could help relieve shortages in rural communities or provide new lower cost alternatives for agriculture. The key is identifying and developing methods appropriate to specific individual rural geographic areas that are compatible with a balanced growth pattern in those communities. (13.0)

Much is being done, but much more still remains to be accomplished in promoting the energy self-sufficiency of American agriculture. As part of a massive interagency agreement in fiscal years 1979-81, up to 100 small-scale hydroelectric projects were developed in rural America, with a combination of grant, loans, and loan guarantee funds from FmHA, EDA, HUD, CSA, and the Rural Energy Administration and technical assistance from the Department of Energy, Bureau of Reclamation, and the Corps of Engineers. In order to stimulate gasohol plant development, OSHA, EPA, and the Bureau of Alcohol, Tobacco, and Firearms were directed to simplify licensing and other procedures needed to begin such plants at a local level, at the same time DOE, EDA, and CSA agree to provide funds for up to 100 such small-scale plants by the end of 1981, producing gasohol for transportation purposes. Other regulations have been developed giving priority to agricultural needs in policies allocating natural gas, middle distillate fuels (such as diesel fuels), and gasoline supplies in case of emergency shortages nationwide. Such policies and programs could be highly effective for meeting long-term energy needs in rural areas and should be continued. The Corps of Engineers estimates that as many as 2,000 existing dams across the United States--particularly in New England--could be economically converted to produce small scale hydro-electric power as a result of such programs. Gasohol plants utilizing sugar beets, wheat, grain sorghum, corn, sugar cane, and food processing wastes would, in effect, mean that farmers would be getting double yield from their crops: as energy sources and as feedstocks for animals. Waste wood from logging operations and undesirable woods in commercial and non-commericial sources could be tapped more and more for innovative heating, steam and power generation systems for both home and industrial use. The wood products industry already meets 45 percent of its own energy needs (equivalent to 500,000-750,000 barrels of oil a day) from such sources. Similarly, DOE and USDA experiments around the country have demonstrated the feasibility and efficiency of using solar energy heating systems for crop and grain drying, as well as for heating of dairy, swine, and poultry facilities. DOE also has funded non-agricultural rural solar systems that could be used in food processing plants, for lumber drying, heating greenhouses, and in diverse industries including chemical and oil refining. (27.1)

CHILD CARE NEEDS AND EMPLOYABILITY IN RURAL COMMUNITIES

Much has been written in the past about welfare reform in the United States and possible incentives to encourage employment among women where family income is at a marginal level of where women are actually heads-of-households. According to Congressional Budget Office statistics, this failure to seek employment is largely a matter of simple economics: income levels are so low that it becomes impossible to make child care arrangements for children in such households. In 1975, the following survey was conducted regarding the family incomes of women not seeking employment because they were unable to arrange child care:

- --Of 203,000 wives with children under the age of 6 and not seeking employment, 46.1 percent were living in families with less than $10,000 in annual income; for the additional 146,000 with children between 6-14, 34.9 percent had family incomes under $10,000.
- --In the case of 97,000 female heads of families with children under age 6, 86.4 percent had incomes under $5,000 and an additional 13.2 percent were under $10,000 in income; for the 67,000 with children between 6-14, 76.6 percent had incomes under $5,000 and an additional 22.4 percent had incomes under $10,000 annually. (6.0)

Child care costs with such low income levels becomes prohibitive, even if adequate care situations might be available ... which is also often not the case in rural areas. Because the extended family phenomenon persisted in rural areas longer than in urban communities, there was previously less incentive to develop child care centers. Now, as this pattern is changing in rural areas as well as urban areas, those women in rural communities who cannot rely on a relative to care for children face bleak prospects for obtaining adequate affordable child care (especially given the overall lower salaries in rural compared to urban areas).

Many model programs exist nationally which could serve as the basis for incentive programs in rural communities needing such child care services. Employer or union-sponsored child care centers such as the Stride Rite project in Boston, the Intermedics program in Texas, and the Amalgamated Clothing and Textile Workers Union 5-state child care project have demonstrated the value of private sector child care services to the employer, individual workers, and the community as a whole. Problems of absenteeism, high turnover, and difficulty in recruiting workers are minimized ... making the labor force climate of a community far more attractive to existing companies and potential industrial growth. By advancing the start-up capital for such care centers, employers are overcoming one of the major difficulties in getting a community child care program off the ground. Workers are in a position to be close to their children, which cuts commuting expenses and problems of stress and/or absenteeism when children are ill. Employers can also effectively assist such adequate child care development by actually handling the financial accounting, staff payrolls, and other economic details through the company's business department: another tremendous potential barrier to child care center development. (6.0)

Employers have also experimented successfully with the voucher system to assist employees in paying their child care costs at existing centers or several industries might form a consortium to start a child care center for their employees. Other plants have developed flextime programs for parents to deal with the problem of child care for youngsters when they are ill, have made a practice of donating scraps and outdated supplies to centers for use in projects, or have made major donations in order to get private community child care programs off the ground. With school age populations shrinking in many rural communities, another alternative to the child care dilemma might be the utilization of abandoned schools and unemployed teachers in the development of preschool child care centers. Models of this type have been piloted in the Massachusetts area in recent years. In New Hampshire, where there is no public Kindergarten program, people in the town of Sutton–with a total population of 1,000–developed their own privately incorporated preschool/kindergarten program which currently enrolls approximately 90-95 percent of all eligible children three days a week. Preschoolers pay a tuition fee of $20 per month, but the kindergarten program is free. Funding comes from tuition, a grant from the town government, and fund drives by parents and the center's Board of Directors. In Brooks County, Georgia, where surveys showed a need for more than 500 child care placements, the local high school developed a child care training program with an actual operating child care facility as a laboratory on site in the high school that both met some of these child care needs of the community and provided job opportunities and training in child care for high school youth. The program realizes a profit of approximately $2,400 per month, despite special subsidies to some parents who cannot afford the modest level of tuition charged. As a result, graduating youth and other residents of the area are discussing starting still more private centers. (28.0)

In short, as the rural community changes–with more problems of divorce and inadequate family income in light of low salaries and rising inflation–Federal and State agencies could play a valuable role in disseminating information and providing the technical expertise which could help rural agencies, employers, and workers adjust to the changing child care needs of individuals who either used to be or are needed as productive members of the local labor force.

RETAILING AND RECREATIONAL SERVICES AND THE NEED FOR RURAL COMMUNITY CENTERS

Access to reasonable retailing and recreational options cannot be ignored in rural areas as being a "fringe" issue from either the point of view of the individual rural resident facing inadequate or excessively costly services or from the perspective of such services as a factor in potential recruitment of needed professionals or industries to the community. Through the media, particularly television, rural Americans have become aware of the many, many amenities of life that are available to their urban counterparts and have found their own expectations rising accordingly. Whereas more affluent rural residents and the new wave of urban in-migrants might tend to look to nearby urban centers for some of these economic and recreational services, the poor and elderly–for whom transportation is a major problem–are often totally dependent on local villages for their shopping and entertainment. Although not as important a factor as cost and availability of labor force, land costs, and infrastructure adequacy, such concerns over economic, social, and cultural services also impact on corporate decisions whether or not to locate a plant in a given area ... particularly if significant numbers of management staff from the parent corporation are expected to relocate in the area as well. As the study of young medical school graduates cited earlier in this study indicates, the so-called "amenities" of life, including social and cultural options, have a strong impact on these young professional's decision to locate in a given community.

Underlying this concern for the adequacy of retailing and recreation services is the whole issue of the cohesiveness of rural communities and the need to identify with some kind of local center of social and cultural life. The study of 13 small rural communities in New York state cited early on in this chapter points clearly to a pattern of decline in economic services, in particular over the past decade in rural communities. (15.0) Until the recent soaring costs of gasoline, rural residents were beginning to bypass local retailing centers for the more inclusive nearby urban centers. Even as urban migrants began moving to rural settings in greater numbers, many of them continued to seek their economic and recreational services by commuting to nearby larger communities. Meanwhile, what traditional small retail centers were available in rural communities found that they are not benefiting in any real way from the population growth around them. (8.0) In part, local entrepreneurs had failed to adjust to the changing expectations and needs of the rural population group around them; in part, they lacked the technical expertise to assess these needs and to develop the new marketing strategies to meet them.

With high transportation costs forcing many rural residents to reconsider their buying habits and recreational needs, local rural entrepreneurs are in a good position to reestablish themselves as centers of community economic and social life ... but they must do so in the context of the demographic changes going on around them. Agencies such as the Small Business Administration need to explore the possibilities of gearing workshops and other programmatic initiatives to helping rural entrepreneurs cope with the changing marketing patterns and life style demands of both the long-time resident and the new migrants to these rural communities if many of the small rural retail and recreational centers are to survive as genuine social underpinnings of their communities. With much of the new job growth in small communities coming in this economic and recreational services sector, the whole problem has great significance for potential employment diversification and stabilization of the labor force in many rural areas.

A related issue is the lack of Federal government understanding of the realities of consumer patterns in rural life, as evidenced by the substantial discrepancy between poverty level standards for farm and non-farm families. In 1978, poverty levels for a farm family of four were set at $5,200 as opposed to $6,240 for a non-farm family. (5.0) This $1,000 difference would suggest a stereotypical view that consumer costs in rural areas are lower and, that whatever poverty farm families may be facing, they can always subsist by growing their own food ... thus achieving a certain independence from the high costs of the marketplace. In fact, fewer and fewer farmers (large or parttime small producers) are in a position to grow their own food, concentrating instead on achieving maximum cash sales production for time and effort expended. As a result, farmers are facing food costs inflated by high-cost national marketing patterns and increased transportation costs to remote areas, just as the ordinary consumer does at the local supermarket. Lower rural housing costs and taxes may affect overall cost of living somewhat, but for the rural poor, the likelihood of having to settle for substandard housing is greater than for urban residents and rural taxes are not likely to remain as low due to the services expectations of the new urban in-migrants.

Overall, rural experts do not seem to have a clear picture of exactly how the dynamics of changing rural economic life will ultimately reshape the nature and concept of the rural community as an important nexus of local social, economic, and cultural life. It is clear, however, that there is a need for rural agencies at both the Federal and State level to help supply the expertise that many local communities and entrepreneurs lack in surviving this potentially wrenching transition.

CAPACITY BUILDING AS AN OVERRIDING NEED IN RURAL COMMUNITIES

In the discussion above of the various needs and problems involving support services development in rural America, some of the "lacks" are clearly in the area of adequate Federal and State funding and related "bricks and mortar" considerations. Along with that lack of funds for infrastructure and programmatic development, however, is an even more basic problem: the lack of the technical know-how in many rural communities to deal with the magnitude of the problems facing them and the ability to successfully compete for those funds which are available. The case of Broadalbin, New York, and its 10 years of unsuccessful attempt to find the grant assistance to upgrade its water system is a classic example of the frustrations many rural communities face in meeting their support service needs. Thus, the whole issue of "capacity building" becomes of prime importance.

In a series of National Goals Conferences on Linking Education and Economic Development in rural America in summer and fall, 1980, local rural experts from the mid-West, far West, South and Northeast spoke time and again of the tremendous need for a centralized information and technical assistance dissemination system that would enable rural communities to effectively access key data that would help them overcome their geographic isolation in developing programs and locating appropriate fund sources for local projects. (13.0) Many rural agencies do not have access to the Federal Register or because of their isolation, receive Requests for Proposals so late that it is virtually impossible to write a successful grant. Even if RFPs arrive relatively timely, quite frequently local agency staffs are so overworked that there is little time to devote to such grant writing or the personnel lacks the experience and expertise to put together an effective proposal. Complex Federal grant boilerplate requirements, lack of knowledge of the "in" vocabulary and needlessly complex jargon, regulations clearly written with an urban bias or which are so restrictive that it is virtually impossible to write a grant to fit local needs, and the maze of qualifying requirements, all contribute to stymie local rural groups seeking Federal funding. Imagine the sense of futility of a local agency director attending a session on grant writing at a Washington conference who is told repeatedly of the importance of getting to know key Federal bureaucrats in a particular grant-giving agency by repeated visits and phone calls, if the director faces a highly limited phone budget and is restricted to only limited in-state travel for the most part by budget constraints. Similarly, most local rural agency program or governmental directors are sophisticated enough to know that there certainly must be precedents for what they are attempting to do in their communities ... but lack time, money, and research staff, as well as the lack of any single information resources on a wide range of rural problems makes it difficult if not impossible to locate appropriate models.

A proposed National Rural Communications Demonstration Project could be one effective means of developing such a centralized technical assistance, resource brokering system. Key to such a project would be a computer-based media system which could be accessed through regional terminals in key rural areas, as well as through possible access through existing systems such as the various state occupational information computer program networks operated by state departments of education or employment security commission offices. With computer retrieval systems and document transmission systems via phone hookups becoming less and less expensive, it will soon be economically feasible for even small rural communities to access such information through terminals at local firehalls, libraries, or other central community sites. Through this rural computer information bank, local agencies and committees would be able to access:

--legislative overviews of key trends impacting on rural areas, as well as summaries of key demographic trends in rural America;

- –pending and existing grant programs (along with information regarding past recipients and an analysis of the applicability of such programs to specific needs and the odds of receiving a grant based on past ratios of applicants to recipients) which could be helpful in locating funds for specific support service needs;
- –sample boilerplate and formats for key RFPs which could meet a wide range of local rural infrastructure and programmatic needs;
- –abstracts of key projects and model programs in the area of support services development, including contact names, addresses, and bibliographies of pertinent printed materials available describing the programs in greater detail;
- –possible advocacy groups or individuals that could assist the given community in developing specific projects;
- –names of recognized experts who could serve as consultants on a low fee or gratis basis.

By encouraging easy input and output with the computer bank system, the pool of available information would continue to grow and be disseminated. Individual communities would be able to cut turnaround time in the grant application process and in program development, avoid high meeting and travel costs, and overcome limited phone and other communications budget. (13.0)

Another effective "capacity building" mechanism at the Federal or state level could be the use of highly skilled technical assistance "circuit riders" in rural areas who either through governmental grant or special private sector release time programs could be made available to high economic distress areas as special consultants in dealing with specific support service or other development issues, at little or no cost to the local community. Linkages to such rural ombudsmen could be established through the proposed computer information system, through Agricultural Extension Offices, and other appropriate agencies with a broad geographic service network already in place. (13.0)

Nationally, at a state level, and locally, the whole issue of capacity building needs to be reconsidered in light of the urban-to-rural migration in recent years and its impact on the individual rural community. Traditionally, rural communities have been characterized by sociologists as having a relatively stable leadership hierarchy, with certain key families or members of key companies or organizations playing a major role in community decisionmaking. Because of the long promulgated ideal of rural independence, this community leadership may have often tolerated substandard services in the name of reluctance to relate to the dictates of Federal or state agencies interfering in local life ... particularly as long as the extended family and strong social institutions such as churches were able and willing to play a major role in assisting those individuals most affected by the lack of adequate services due to age, low income, lack of benefits accompanying regular employment, or other factors. Due to an overall decline in certain key services in the rural environment (particularly decreasing public transportation options), lessening local retail availability, and increasing health care and other costs with no greater ease in accessing such services, in many cases the gap between services available to the economically disadvantaged and the average rural resident has become greater, at the same time traditional family, religious, and other voluntary mechanisms for overcoming these barriers have become weaker. The influx of more services-oriented urban migrants has also increased demand for and strain on existing community programs, putting further pressure on traditional patterns of leadership and values systems in the rural community.

If a given rural leadership structure is to respond to these new pressures on traditional ways of doing things and the new urban constituency is to be successfully assimilated into the local power structure, a whole new set of political issues needs to be explored at a local level. Federal and state agencies dealing with rural communities could be in a unique position to encourage this process of new coalition building and awareness development. To approach the situation as a mandate to "throw out" traditional power structures which may have at times frustrated efforts to bring about needed change would be highly destructive to the social fabric of the community.

Instead, the emphasis should be placed on stimulating local initiatives which effectively build new traditions, melding the best that traditional rural individuals and organizations have to offer, the changing realities of rural social and economic life, and the positive aspirations of the new wave of urban in-migrants.

The whole area of child care service development is one example of how such a coalition could be built around a potentially devisive issue. To many rural child care service opponents, resistance to such programs represents a political action aimed at retaining the integrity of the family unit and maintaining traditional sex roles by discouraging women from working outside the home. Yet the very same individuals are frequently those who decry the "welfare mother" phenomenon, arguing that all able-bodied individuals who need economic assistance should be expected to work ... even if the lack of good, reasonably-priced child care makes it impossible for such women to work. Out of this apparent contradiction could come the basis of a rural community child care program. First, key members of the political power structure or influential voluntary or religious leaders need to become persuaded that it is in the overall community interest to develop such a program: to enable welfare recipients to realistically choose employment as a preferred option; to meet the need of many farm or other families in rural communities to have more than one wage earner due to high inflation costs if the family is to maintain its traditional position in the community; to meet the needs of key local companies to recruit and retain a more stable work force; to deal with the question of what to do in order to maintain traditional school facilities and community educational personnel in the face of a declining school population; to provide the preschool options for interested parents who feel such experiences could enhance a child's ability to function well upon entering public school. If the comprehensive need for child care services and even the otential facilities and/or staff for such a program could be identified in this way, the number of individuals needed to successfully advocate for or put together the coalition to develop such a potentially controversial, "nontraditonal" program is greatly enhanced.

There are models nationally for new community organizations which can successfully build such coalitions around key community issues or needs. During the 1970s, stimulated in part by a book by Willard Wirtz called The Boundless Resource, communities all around the United States–in rural areas of the West, South, mid-West, and Northeast, as well as in urban settings–have developed work-education councils: collaborative community networks which have tackled such diverse problems as youth school-to-work transition, adult mid-life work-transition problems, economic development and manpower issues, and career education. Central to such organizations is the concept that action coalitions need to be formed in the context of a neutral political forum which enables community leaders and potential services clients to identify those key problems in which all have a degree of self-interest but where potential conflicts over methods arise. By systematically implementing and stimulating action around common goals and expanding on this base of common experience and trust for still further collaboration, communities learn to develop the mechanisms for successfully achieving goals unattainable given the previously fragmented power structure. Such rural programs have led to high levels of involvement on the part of the private sector in funding community-related career education programs otherwise unfundable with local educational resources, have made visible impacts on the quality and relevance of CETA training programs to the private sector and the community as a whole, and have led to the creation of economic development groups and unified development plans where previously local rural political bodies had fought unabashedly over funds and programs. (7.0)

While it is important to recognize the realities of the existing community leadership structure in any attempts to stimulate community building, it is also important to reassess the role of the private sector in relation to traditional community organizations. Unfortunately, in some rural communities, the modest influx of industry to capitalize on the labor force being freed up by the mechanization and consolidation of agriculture has not always been particularly beneficial to the community and its long-term support services and other needs. Management, with little regard for the traditional values of the community, has at times condoned quality of life endangering pollution and dumping policies which have taxed local infrastructures and waste disposal systems. Or emphasis may have been on narrow, short-range manpower training to meet immediate company needs, without thought for the long-term educational needs and/or potential of employees. By utilizing undertrained local labor and importing workers in higher skill or management positions, some companies have intentionally or inadvertently contributed to the stagnation rather than the long-term growth of the rural community in which they are operating. Similarly, short-sighted governmental leaders in rural communities have at times seen industries only in terms of immediate tax gain and not as key actors in the long-term development of a community. Thus, should an industry pull out of a given community, embittered by the lack of concern on the part of local government for business problems, or to move on to yet another small community in order to capitalize on cheaper labor or other short term potential gains, the former workers and the community as a whole is left to feel the crushing financial loss and the lack of mobility and breadth in the labor force's skills to meet the crisis.

Private sector and community interest need not and should not be at odds with one another. Many small communities are becoming more realistic in their aspirations, eschewing attempts to attract large-scale employers for a more manageable small-company growth pattern. Growing unionization efforts in southern and western rural areas are convincing some private sector employers that policies which are dependent on making maximum gain out of short-term cheap labor in a community are no longer as financially attractive. A stable, well-trained, loyal labor force in a rural community can be a great asset to the private sector; at the same time, the social, educational, and individual income benefits of a company to a community may often be even more important than any economic gain in the form of tax revenue.

In developing incentive programs to assist rural communities in attracting the kind of industrial and private sector growth appropriate to that individual community, Federal and state governments need to take into account that the relationship between individual companies and the community are often far more important in a rural setting than in an urban environment, where the lack of collaboration between an individual private sector employers and the public sector tends to be more obscured by the sheer numbers of companies involved. The whole role of community and companies vis-a-vis one another in the rural setting needs to be examined with greatest care and appropriate incentive mechanisms be developed with the flexibility to meet local needs and conditions.

In terms of personal leadership styles in rural communities, Federal and state agencies need to assume more sensitivity toward the changing status roles. At one point, the jack-of-all-trades independence of rural residents--particularly farmers--was singled out as a trait demanding highest respect by other members of the community. This tends to still be true in the area of community service leadership, where frequently rural men or women "wear many hats": small town merchant who, for example, at the same time might be member of the town council and school board, board member of the local economic development agency or manpower training consortium. In the economic sector, this kind of jack-of-all-trades individualist is becoming less common. The farmer of today frequently buys services--even foodstuffs for family consumption--because of the high time demands of cash crop production or because family members are commonly holding down additional jobs off the farmers in order to keep going financially. Economic exigencies and expectations of new urban in-migrants are both changing the dynamics and values of traditional leadership elites, as well as local rural expectations regarding agency and outside assistance in general. Extension offices have begun, as result, to adjust both their leadership training and life skills programming accordingly in many communities to meet these changing needs and clientele. This kind of adaptation needs to be made as well by the whole gamut of Federal and state funded programs operating in the rural environment. (14.0)

In short, the key to rural capacity building lies in a Federal and state recognition of the desperate need for better rural communications mechanisms at a local, regional, and national level, as well as in the genuine attempt by agencies to help rural communities build new traditions to deal with their changing environments instead of attempting to scale down urban programs to fit rural demographics. More than any single factor, the "scale-down" mentality contributes to the large number of so-called rural programs which in reality are totally inappropriate to the needs and dynamics of rural life.

OVERALL GOVERNMENT AND PRIVATE SECTOR INITIATIVES AS A NEXUS FOR DEVELOPMENT IN RURAL AREAS

The previous sections on health care, transportation and communication, housing, water, sewer, sanitary facility, and energy support services as well as strategy for rural capacity building attempt to pull together some of the most recent recommendations of Federal, state, and local experts regarding the major problems facing rural areas in the decade ahead, possible strategies for dealing with various issues, and the general priorities in each specific support service area. Particularly important are the summary concensus statements which were formulated in late summer and early fall, 1980 as part of a series of regional National Goals Conferences Linking Education and Economic Development in Rural America. (13.0) As a group, the major goals outlined at that conference fell into the three general priorities set by the Charter for Improved Rural Youth Transition, formulated as part of a groundbreaking policy conference on rural issues held in 1977--priorities which government at all levels needs to address in helping rural communities realize their full potential.

1. Helping rural communities make maximum use of existing resources (financial, material, and human);
2. Helping rural areas truly gain equitable funding allocations for support services and other kinds of development;
3. Helping develop more flexible programming initiatives and allocations mechanisms which are genuinely responsive to individual community determinations of need.

Much can be done, if emphasis is placed on accountability and effectiveness, by policy makers at all levels in order to pursue these three goals. (5.0)

First, in order to help rural areas maximize utilization of existing resources, it is critical to develop some kind of effective, central Communications Center for rural America such as the Computer Information Brokering Center proposed as part of the "capacity building" process earlier in this chapter. This would seem the only realistic way for rural communities in any numbers to overcome their geographic isolation in accessing vital demographic, technical assistance, legislative, and programmatic information, as well as having input as a meaningful coalition into the decision-making process at a national level. Many individual rural organizations would be in a position to provide invaluable research data into such a system (such as the National Rural Center, national 4-H organization, land grant colleges, the National Institute for Work and Learning, and the massive FmHA National Community Facilities Assessment Study being conducted by Abt Associates which will include support service information on a sampling of 2,346 communities nationwide).* (1.0) As part of this capacity-building process, consideration also needs to be given to establishing set asides in various legislative programs to help communities with a variety of technical assistance needs–such as the possibility of establishing a system of rural "circuit riders" at the disposal of communities in need of specific kinds of technical assistance. Tax incentives and other types of incentives need to be considered as well that would encourage private sector employers around the United States to actively play a role in such a capacity building system.

Second, Federal, State and local rural policy development must take into account the universal pattern of discrimination and urban bias in much of the past governmental regulations and funding allocations. Given the higher costs and greater complexity associated with support services development in rural areas, such discrimination has only widened the gap between quality of life and economic growth potential of rural communities compared to urban areas. If government leaders cannot bring themselves to overcompensate in setting funding allocation levels to rural areas to make up for past injustices or to compensate realistically for the diseconomy of scale factor, at least it seems appropriate to finally set support service funding at minimum a a level proportionate to actual rural population. In the past, not even that policy was followed. A related problem is the need for government to recognize that the potential administrative burden is not justification for building minimum application cutoffs into grants targeted for rural areas. A $40,000 economic development program in a small community (or even less funds) can impact as much as a $400,000 project elsewhere and is as badly needed.

Third, in developing strategies and initiatives to deal with the problem of inadequate support services in rural communities, stress needs to be placed on developing a flexible enough funding and program development system to accommodate the very diverse needs of very different rural communities in different states and regions. For example, a recent Michigan State University opinion survey conducted by the Agricultural Experiment Station of Michigan State University indicates that a majority of rural residents in that state see the following issues to be among the greatest problems facing their respective communities: employment, economic development (particularly industrial and retailing growth), energy costs and research, transportation (both road, rail, and transit systems), community planning and capacity building, housing, child care, and vocational education for youth (10.0) In other areas of the country such as the Southwest and certain Plains areas, problems of water availability might be cited as the highest priority. Without strong sensitivity to the importance of local self-determination and the willingness to develop a broad range of programs to meet such a wide variety of rural needs, no Federal or State rural policy can hope to succeed. The concept of establishing a National Rural Advocates Office would be an important step toward monitoring programming with an eye for both rural equity and the kind of flexibility needed to meet a highly heterogeneous set of rural needs.

Beyond the question of dollars allocated to the rural support service problem, government at all levels needs to explore the whole issue of other types of incentives–including those to the private sector--which could encourage better facility and service development locally. This includes factors such as reducing paperwork burdens associated with program development, finding possible tax incentives to help private industry recognize the dollars and cents value of taking the initiative in rural child care or even transportation development, and adjusting or waiving certain environmental regulations that place unrealistic responsibilities on farmers or small industries for major pollution control expenditures or that do not take into account the infeasibility of certain systems developments in rural communities because of the high costs and inadequate tax bases involved. There is also the issue of energy research related to unique rural needs and what incentives to the private sector could stimulate the kind of alternative small-scale energy resource models that would be so critical in rural communities. A greater emphasis needs also to be placed on small business development in rural communities. Studies have repeatedly shown that this is where the job growth is most likely to come in rural areas, yet loan funds for such small, "high risk rollers" and technical assistance to small businesses in general are in short supply.

In hearings before the Congressional Joint Economic Committee in 1977, the National Rural Caucus set out in great detail a series of long and short range priorities for policy and program development that could help eliminate some of the major barriers to support service development and community economic growth in rural America. Many of these specific needs are contained in this chapter in the discussion of specific rural support service problem areas, but the document's list of problems still unmet and unheeded goes far beyond the confines of this general study. This CRC proposal should be considered "basic reading" for all Federal and State agencies concerned with rural issues. In addition, the CRC posits a number of basic overall recommendations for and indictments of Federal rural policy which must be addressed if meaningful change is ever to come:

–The whole definition of "rural" and "balanced national growth" need to be reassessed.

--Emphasis needs to be placed on what "can be done" and not on what past administrations "have" or "have not done."

--Formal rural advocacy is needed to insure equitable access to funds, services, and programs by rural communities in existing legislation from the various cabinet departments. The executive branch of government does not have any executive branch offices such as Management and Budget or the Federal Reserve System. Without sufficient rural advocacy within OMB, Congress and the Executive Branch are being given unrealistic pictures of the financial need and resources of rural communities ... particularly in the area of low interest credit policies.

--The lack of information about and lack of adequate technical capacity to respond in rural communities combine to keep rural areas from successfully competing for existing legislative funds or programs which are already discriminatory in their very formulation.

--The needlessly verbose and complex language and content of the Federal Register effectively discriminate against isolated rural agencies and personnel who are attempting to comply with specific regulations or compete for funds and who are not in a position to access appropriate bureaucrats for comprehensible "translations."

--Congress has continuously "too conservative in its response to the needs of rural communities." The Congressional Budget and impoundment Control Act, in particular, has created tremendous fiscal difficulties for rural communities and agencies. Failure since 1972 to fully implement the Rural Development Act must be laid at the feet of Congress and the Executive Branch.

--Leadership within USDA, particularly the Farmers Home Administration, has suffered from inadequate vision, inadequate staffing, and inadequate dollars allocated to develop programs. Congress has contributed to FmHA's problems by "dumping" programs on the agency without adequate staffing to handle the increased responsibilities.

--Neither the House Subcommittee on Family Farmers, Rural Development, and Special Studies or the Senate Subcommittee on Rural Development have adequate staffing or funds to handle the wide range of responsibilities assigned to them. (26.1)

Rural White House Initiative and Policy Statement beginning in late 1979 were a badly needed first attempt to meet CRC calls for a genuine rural development policy. In light of proposed budget tightening at all levels, it is critical that the problems or rural needs and the long history of rural underfunding and inequities are not forgotten or ignored. Federal and State governments must be willing to get their executive and legislative collaborative mechanisms in order as they impact on rural issues in order to insure that rural Americans do not, once again, find that the governmental system does not only discriminate against them in dollars and cents, but in the very programmatic development processes and concepts needed to make any kind of effective changes in the quality and quantity of economic support services in rural communities. Without this across-the-board emphasis on rural development problems, little if any meaningful job development or economic growth can or will realistically take place in rural America.

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8

Toward a More Rational Education-Economic Development Connection in Rural America: The Collaborative Model

Karl A. Gudenberg

GENERAL CHARACTERISTICS OF EDUCATION TO WORK TRANSITION IN RURAL AREAS

In a nation that is overwhelmingly metropolitan, both in population and outlook, it has been difficult to draw attention to issues involving rural areas. The situation, however, is changing and it is long overdue. It is certainly no easy task to obtain accurate and detailed analyses of rural problems, partly because the vocabulary used by demographers and statisticians is woefully inadequate when dealing with the diversity of populations that do not live in "urban places." The term "rural" is defined differently by government agencies: The Bureau of the Census defines it as those places with populations of less than 2,500, while the Department of Labor defines it as those counties where a majority of the people live in places of less than 2,500 population. Another term commonly used is "non-metropolitan" --referring to counties with a population of less than 50,000. However, none of these terms covers the the wide array of social, and environmental conditions that characterize non-urban places. Rural farm areas vary from widely scattered wheat farms to compact citrus or avocado groves. There are small towns organized around activities such as fishing, mining or logging, each with distinctive cultural and social elements. There are small cities that serve as business, communication, transport, and governmental centers in the outlying counties of states across the country.

If there is a practical reality that forces discussion of such diversity under the single concept of non-metropolitan, or rural, it must be understood that the resulting information places us in a position analagous to an Eskimo confronted with trying to describe snow with one word.

It must be recognized that many of the problems facing Americans in rural areas are common to all Americans. The fundamental transformation of the economy, and the attendant altered occupational structure, have created chronic unemployment and underemployment problems that have affected urban and rural Americans, alike, since the early 1960s. Jobs, particularly productive work opportunities, for young persons have virtually disappeared, in and out of cities.

Yet, the setting affects dramatically the forms these problems take and the solutions that might be considered. The distinctive features of rural life give a starkness to the problem of unemployment and underemployment. Rural areas have both limits and resources that must be considered in developing meaningful solutions.

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What do we know about this rural population? A great many U.S. residents live in non-metropolitan areas. In 1970, 63 million people, or 31 percent of the population, resided in such environments, according to the U.S. Census (U.S. Department of Commerce, Bureau of Census, 1975). Until recently, there had been a significant and consistent decline in the non-metropolitan population from year to year. The percentage of the population living in rural areas has decreased from 46.4 in 1940, to 43.9 in 1950, 37.0 in 1960, 31.4 in 1970, and then to 27.2 in 1974 (U.S. Department of Commerce, Bureau of the Census, 1975).

In very recent years, however, there has been a significant change in the pattern of growth rates in the United States. Between 1970 and 1974, the actual rate of growth was greater for non-metropolitan areas than for metropolitan areas – 5.0 percent growth compared to 3.6 percent respectively. However, while central cities in large metropolitan areas have suffered a net population loss, suburban populations have increased at rates even higher than those of rural areas (U.S. Department of Commerce, Bureau of the Census, 1975).

Independent of population shifts, the close to one-third of the population residing in non-metropolitan areas deserve attention. Moreover, the initial signs of change in population movements suggest another concern. Strategies for dealing with the problems of rural Americans can no longer be based on the assumption that they will be moving to metropolitan areas.

Economic indicators show a general pattern of disadvantage for non-metropolitan populations. There are sharp differences in income. The 1973 median family income in non-metropolitan areas was $10,327, a figure somewhat lower than the median family income of $11,343 reported for residents of central cities, and well below the $14,007 reported in the suburban rings (U.S. Department of Commerce, Bureau of Census, 1975). Directly related is the finding that poverty is somewhat more common in non-metropolitan than in urban areas. While the rural population comprised less than 30 percent of the total population in 1973, 40.1 percent of all persons falling below the poverty level were residents of such areas (U.S. Department of Commerce, Bureau of the Census, 1975). In other words, while 1973 the proportion of individuals earning below the poverty line for the nation as a whole was 13.7 percent; it was 19.1% for non-metropolitan areas. (U.S. Department of Commerce, Bureau of the Census, 1975).

One factor which has a dramatic effect on the economic structure of rural areas is the geometric increase in the productivity without a corresponding increase in demand which would call for a simultaneous increase in employment. As one economist observes:

> "Gross factor productivity, i.e. output in ratio to all inputs, has risen sharply and continuously since 1920. Even more spectacularly, the charted indexes of total labor input and of output per man-hour have diverged at almost right angles since 1940. If agricultural output had faced an indefinitely expansible market, total production could have been more greatly increased and thereby enabled the retention of a greater proportion of the earlier farm labor force. But the market has not had sufficient absorptive capacity to offset gains in productivity, consequently, the intermediating mechanism relating increases in productivity to labor force adjustments has been the generally adverse farm price and income outlook. Given this outlook, thousands of farm youth have had to decide, individually, whether to stay with the family occupation, and fewer thousands of farmers have had to decide, also individually whether to continue." (Fuller, 1970: 20)

According to Ray Marshall, current Secretary of Labor, the transition problems of rural youth are shaped significantly by these economic conditions. These conditions, effect, establish a number of barriers to the full development of rural youth.

The rural economic base poses significant problems for rural young people. The lack of occupational diversity means that few job and on-the-job training opportunities are available and role models for jobs other than farmwork, marginal and blue-collar positions are scarce (Marshall, 1976). Private and public sector employment opportunities are severely limited, and although the location of more manufacturing plants in rural areas, especially in the Southeast, has resulted in somewhat more diversified employment opportunity, a large proportion of these jobs are going to workers imported from urban areas (Miles, 1973). The problem is compounded by inferior labor market information systems and inadequate educational and vocational preparation.

The need for more accurate and complete labor market information and occupational counseling in rural areas is acute. Responses to a 1974 survey of rural youth indicated that the 800 male and female high school seniors in the sample had very limited understanding of the world of work, were insecure and suspicious about their prospects for employment, and were unfamiliar with the federal-state employment service. A recent survey of job placement services provided by public school systems in the United States reveals that only 35 percent of school districts with fewer than 25,000 students had such services as compared to 71 percent of the districts with 25,000 students or more (Department of Health, Education and Welfare, 1976). Federal and state placement agencies (including the U.S. Employment Service) have limited coverage of, and thus limited effectiveness in, rural areas (Marshall, 1976).

Educational attainment is another area where sharp differences between non-metropolitan and metropolitan populations are apparent. In 1974, in the nation as a whole, 53.9 percent of non-metropolitan residents over age 25 had completed high school, in contrast to 59.8 percent in central cities and 68.5 percent in the suburban rings. Within the non-metropolitan group, more exacting breakdowns emphasize these differences. In counties with no town larger than 2,500 only 42.5 percent of the adults had completed high school, compared with 52.8 percent in counties with a town of 2,500 to 24,999, and 62.0 percent in those designated non-metropolitan with a town of 25,000 or more (U.S. Department of Commerce, Bureau of the Census, 1975). Even these figures are a bit deceptive since as high a proportion of non-metropolitan as urban youth aged 16 or 17 are enrolled in school. The drop-off occurs rapidly in the next higher age group, because significantly lower proportions of rural youth are enrolled in higher education (Sanders, 1977: 103). This is consistent with a great number of studies that have shown much lower levels of educational attainment among rural and farm adolescents, in comparison to their urban counterparts.

Adequate educational preparation is a crucial element in a smooth school-to-work transition; unfortunately, rural educational systems labor under the burdens of inadequate resources, training and support services. Vocational schools, in many instances, are still directing students into traditional rural job paths, mainly agriculture or homemaking. During the period between 1950 and 1966 when farming jobs declined to the lowest point in decades, enrollment in vocational agriculture rose to a new high (Department of Agriculture, 1969). These educational and employment difficulties are often exacerbated by geographic isolation, inadequate medical and social services, and a pattern of out-migration to urban areas that further contributes to the depletion of an already inadequate tax base in rural communities.

The Marion County, Oregon Youth Study offers some insights regarding rural youth in transition. In one of few on-going, longitudinal studies dealing with one local area, early results are consistent with findings of national studies. A medium-sized county of 120,888 population in 1,175 square miles, Marion County's 19 incorporated communities include only 59 percent of the total population. Only Central City has a population of over 5,000; two-thirds of the 19 towns have fewer than 1,000 residents. The balance of the population resides in unincorporated, predominantly rural areas (Polk, 1977).

Findings of the study to date indicate that a good percentage of Marion County youth have already been confronted with the necessity of moving. Ten years after high school graduation, 52 percent of the young persons reside outside the county. High school performance appears to be related to the migration pattern. High achievers move more frequently to metropolitan or urban settings as young adults (57 percent) than low academic achievers (44 percent) or dropouts (38 percent). At the same time, all these groups indicate they would prefer living in a rural area or small town, as do many Americans, nationwide (Gallup 77). The preference to live in a rural area was expressed by 55 percent of the total group, 45 percent of the dropouts, 58 percent of the low achievers, and 53 percent of the high achievers, though the last group is more likely to be found in urban areas. This data tells a sad story: the most qualified youth are leaving rural places, even though many of them would prefer to stay if educational and – perhaps more importantly --economic opportunities were available to them.

The imperative is obvious. Greater and more varied options regarding education and economic development need to be brought about in rural America. If the recent population growth in a non-metropolitan areas continues, it may encourage and provide a new basis for this work. Migration back to smaller towns and rural areas can revitalize these markets and create a demand for more personnel and government services. Technological innovation can support this movement: electronic communication and information retrieval devices mow make it possible for certain kinds of professional work to be done far away from urban centers. In addition, if government programs and policies can become more responsive to these newly emerging conditions, a variety of new opportunities may become available to Americans in rural communities. The challenge in rural America is to insure that these new opportunities will enhance the quality of community life and will reflect community values. A good place to start is with rural American youth.

BACKGROUND OF RURAL WORK-EDUCATION COUNCILS

Rural American communities have a multiplicity of needs. Access to and impact on the decision making which affects their well-being is one of the most important. Critical to this well-being is the profound need for the development of more numerous, varied and effective education and economic development opportunities. These opportunities should be based on a real congruence between locally-determined needs, capacities and goals, and those of the host of public and private enabling, governing and serving entities at state, regional and national levels. Achieving congruence is elusive and difficult. It is being significantly advanced, however, through the "collaborative idea": as promulgated by Willard Wirtz in **The Boundless Resource: A Prospectus for an Education/Work Policy** and as implemented by members of the National Work-Education Consortium and the National Manpower Institute.

Collaborative effort encourages the participation of a variety of sectors in organized activities which endeavor to improve the transition of rural Americans between education and work. Collaboration, by definition and form, is holistic in nature. Collaboration as pursued by rural work-education councils has focused on human resource development as the fundamental linchpin in the broader consideration of community development, i.e. educational, economic, ecological, social and political.

Rural work-education collaboratives are local action forums which bring together a variety of community interests around the common concern of improving rural education-to-work transition. Collaboratives seek both to identify and to resolve problems that impede progress through joint community deliberation and action. Local collaboration is supported and sustained by a third party intermediary, the National Manpower Institute. NMI generates and supports linkages with the state, regional and national interests that exercise influence over and assume responsibility for local rural education-to-work transition and the 28 members of the National Work-Education Consortium.

A cross-section of local interests are involved in local rural work education councils. They determine and implement their own action agenda. Representation includes leaders from education, agriculture, corporate and family economic enterprises, organized labor, government, advocacy groups, and community enhancement organizations as well as individuals such as parents and youth.

These neutral action forums of rural work-education councils are freestanding voluntary associations of community leaders averaging around 21 to 25 voting members. They are generally organized by task specific action committees. They are served by a full-time secretarial staff consisting minimally of a director and support staff. The core secretarial staff requires, on the average, an annual operating budget of $35,000. This core staff is augmented by both paid and volunteer assistants who conduct a host of activities. The Mid-Michigan Community Action Council of Gratiot County, Michigan, for example, currently involves over 1,100 volunteers in career exploration, enrichment, job generation and placement activities.

Local work-education councils support their activities by a variety of ways and means, from both public and private sources as well as local, state and national funding sources. Such include, but are not limited to, membership contributions and fees, local tax assessment revenues, CETA and Vocational Education programs, private foundation grants, a variety of federal grant programs including FIPSE and Career Education, among others and service fees.

Rural work-education councils provide a framework for the "process" of involving a growing cross-section of community sector leaders and representatives in interrelated sets of activities which lead from the more specific to the more general improvement and enlargement of educa--tional and economic development options.

Heterogeneity is the hallmark of rural America. Many rural communities have unique value orientations and styles of life. These are explored, built on and reflected in a variety of mechanisms and processes of decision making and implementation.

Particular care is taken to develop efforts that involve, affect, and benefit a cross-section of the community. The targeting of any one stratum of the community -- be it the poor, the middle-class, or the privileged – is avoided since it would result in exclusionary effects, antithetical to the concept of collaboration. Rural education and economic transition efforts deliberately seek to improve the general quality of community life for both the present and the future. Short and long range goals are pursued simultaneously and symbiotically.

However, the preservation and enhancement of local communities is no mean task. Development schemes that seek to make rural life more viable, seek to maintain a reasoned balance between human and ecological imperatives. Many communities are resistant to outside values and influences, particularly legislation and programs developed without significant involvement of local citizenry. Rural work-education councils attempt to ameliorate this situation and move purposefully toward achieving a more effective linkage between local community needs and extra-community resources.

Councils capitalize on the generally high state of community-mindedness evidenced by their communities. The involvement of a cross-section of rural communities in the fashioning of models and processes by which improved rural education-to-work opportunities can be achieved is important. Care is exercised to encourage rural communities to develop their own variations of the collaborative process. The opportunity to compare different types of mechanisms and processes is explored and refined through the on-going relationships fostered by the National Work-Education Consortium and the National Manpower Institute.

Anna Smith, Executive Director of "Clarinda: Town of Tomorrow," Carinda, Iowa, suggests that rural areas appear to be more "involvement-oriented" while urban areas appear to be more "issue oriented." That is to say, rural residents seem to be more concerned with their involvement in overall community enhancement initiatives as distinct from metropolitan residents who appear to be more concerned with single issue concerns. Of the two, the former is probably more encompassing and more enduring. "Involvement" represents a sound general principal upon which rural work-education councils build collaboration for improved rural education and economic development.

The importance of community involvement is underscored by recent analyses on community development efforts. In "Education in Rural America: A Reassessment of Conventional Wisdom" edited by Jonothan Sher, it is pointed out:

> In community after community...the story is depressingly similar. Rural development that has not been controlled by its alleged beneficiaries has not resulted in any substantial alteration or improvement of the recipients' social or economic conditions. Community based control of development by no means assures its eventual success...it does at least ensure that development priorities are aligned with the perceived interests of those individuals most directly affected by them.

Rural work-education councils are proving to be effective in involving a cross-section of rural communities in the development of increased and amplified education and economic development options.

CURRENT RURAL COLLABORATIVE MODELS

One of the most important factors in the development of a rural work-education council is its organizing nexus. The organizational model and its support mechanism to a considerable degree shape the substance, resources generation and management, information and data generation and utilization as well as influence brokering, technical assistance, networking, and the development of more effective education to work transition policies and programs. Adaptation and implementation of work-education council agenda by lead constituent membership is a crucial factor which also is significantly influenced by the organizational nexus.

There are currently three principal rural work-education councils' organizational models:

- Local Nexus
- State Nexus
- National Nexus

Local Nexus

Mid-Michigan Community Action Council
Alma, Michigan

This work-education council is in its seventh year of operation. It began in the community of Alma (population 10,000) with a primary concern for expanding and diversifying career exploration and options for in-school youth. The council gradually expanded its activities to cover the entire county of Gratiot (population 40,000) with six school districts. It organized and orchestrated a volunteer network which currently numbers over 1,100 persons whose vocations range from custodians and mechanics to veternarians and attorneys.

The activities of career exploration gradually expanded to include job creation, temporary and permanent, gaining access to and utilizing the Michigan Occupation Information System, economic development for the county, and curriculum development initiation in the middle and secondary schools (to achieve better congruence between employment preparers and employment providers).

The executive director and staff have prepared the "Gratiot County Overall Economic Development Plan." This effort involved building coalitions between a variety of competing municipalities and organizations in order to attract new employment opportunities. Initial efforts were thwarted by pronounced adversary relationships. For example, three local Chambers of Commerce competed for the same manufacturers, with no one the winner. MMCAC began to involve such groups in mutually complimentary initiatives. Such efforts have produced 400 new permanent jobs and over 800 temporary jobs for the young people of the country. It has steadfastly maintained an agenda which calls for:

- Expanding Career Education
- Expanding Economic Education
- Expanding School-Community Dialogue
- Achieving Full Employment

The council began with safe and "acceptable" initiatives that concentrated on youth. The need for increased economic development became apparent as organizations, groups and individuals were connected and involved. The network of 1,100 volunteers, in addition to active council members, through their involvement in action initiatives became more willing to work on the expansion of job development opportunities. This included providing jobs to teenagers, getting these youths involved in youth enterprises and increasingly banding a variety of groups together in an effort to attract new employment providers. Municipal and interest rivalries gradually gave way to a heightened appreciation that the most important resource in the county was the human resource. The potential of this resource could only be utilized if it was nurtured by providing increased and more varied training and employment opportunities.

The council began in a local community which had a high interest in improving the education to work transition of its youth. It has been considerably strengthened through its affiliation with the National Manpower Institute and and National Work-Education Consortium during the last three years. It is a viable and strong council which has broadened its scope of activity to neighboring countries and has recently obtained a state grant of over $200,000 for expanding the collaborative idea to two neighboring counties. It is increasingly being looked to as a rural model in Michigan by both the public and private sector. The evolutionary development of the council has strengthened and intensified the involvement of persons and groups from relevant sectors locally, regionally and at the state level.

State Nexus

Industry Education Council of California
Burlingame, California

The IECC was formed five years ago with an initial budget of $120,000. It currently has an operating budget of $1.2 million with an estimated like amount in in-kind services. It is active in twenty communities throughout the state. Six are small town service centers in rural areas. It operates a variety of twenty-six demonstration projects.

The 75 member Board of Directors is made up of major California business, industry, labor, government and education enterprises. The principal leaders of these interest sectors have formed a series of task forces whose demonstration projects are developed and implemented by a secretariat and support staff consisting of both central and field staff. The principal organizing aegis is the private sector with active participation by principal public sector representatives.

IECC is a not for profit, tax exempt, free standing, voluntary organization whose primary purpose is to improve and expand career and economic education to work transition of youth in California schools.

IECC endeavors to realize its goals by serving as a statewide umbrella through which local Industry-Education Councils and other such organizations receive a broad range of services. These include: technical assistance, substantive and methodological; information and data retrieval, development and utilization; research and demonstration programs and services development; and assistance in needs determination and fulfillment, regarding education to work transition. IECC concentrates on improving linkages between the private and public sectors, particularly between state and local enabling and enforcing authorities, agencies and corporations. IECC is particularly adept in encouraging the participation of local branch enterprises in rural community education and work development through parent corporate involvement and suasion.

IECC concentrates its activities on improving linkages between institutions that result in more effective and meaningful education and work transition opportunities for a variety of persons in local communities. IECC endeavors to generate greater responsiveness to the needs of both clients and institutions.

Several of its exemplary programs deal with migrant and handicapped youth and with experience based secondary education:

> **Migrant Youth.** A cross-agency program that brings together education i.e., migrant, compensatory, bilingual, vocational career and general, employment services, U.S. Department of Labor, community farm groups, organized labor, and employers, plus programs such as CETA, YETPA, NYC, PIC in Yuba City, Marysville and Modesto. The program perscriptively plots the education-training needs to this target youth population and develops complementary services both in the school and community.

The All-Work Experience High School. A rural secondary program in which all courses in 10th through 12th grades have a work exploration and work experience component. Teachers are responsible for linking their curricula to work related interests. It sends rural students from the Washington-Union High School District to Fresno work sites. It is supported by funding from Vocational Education, Career Education, Compensatory and Migrant Education, ESEA, among others. The private sector provides in-kind resources at work-learning stations. Students spend time in academic courses and parallel time at work sites in a practical education-work module.

Handicapped Youth. A cross-agency program similar to the Migrant Project with a focus on education i.e., special, general, vocational and career, employment services, rehabilitation services, employment of the handicapped, and community based organizations with interests in handicapped. Supportive services to both the handicapped and employers are provided as well as work placement positions.

IECC's state wide operation permits it to identify general education to work impediments and identify and select appropriate communities and institutions which are receptive and ready to be involved in demonstration initiatives. It capitalizes on its corporate, public, and state membership to generate local community involvement of branch organizations e.g., branch banks, agro-industrial corporations, among others.

These efforts are making it possible for IECC to focus increasingly on human resource developments as a parallel to economic development. Henry Weiss, Executive Vice President of IECC suggests: "Experienced based cooperative agency processes and actions are essentially constructed around manageable experiences which are commensurate with the digestive capacities of all of its participants and then are expanded to rural economic and human development initiatives which may be transferred from one rural community to another through and adopt/adapt approach."

National Nexus

National Manpower Institute and the
National Work-Education Consortium
Washington, D. C.

The National Manpower Institute (NMI) is a not for profit corporation concerned with transitions throughout life between education and work with the development of an education-work policy. During the last decade, NMI has been active in the development of community solutions to education-work problems. It has fostered collaboration among employers, union leader, educators, and government officials to deal with youth transition to work, to increase education opportunities for adults, to allow more productive lives for American seniors, and to deal with the pressing problems of working women.

The Institute approaches these concerns through action-oriented programs, broad consultation, policy development, information exchange, experimentation, and research. Its initial agenda published in 1975 in **The Boundless Resource: A Prospectus for an Education/Work Policy**, by Williard Wirtz, Chairman of the Board and NMI staff.

The Institute carries out its concerns with education to work transition in rural America through its Center for Education and Work.

The Center's current rural sphere of activities includes ongoing partnership with six work-education councils operating in rural areas.

Bethel Area Community Education-Work Council, Bethel, Maine
Community Education-Work Council of Northwestern Vermont,
St. Albans, Vermont
Industry-Education Council of California, Burlingame, California
Mid-Michigan Community Action Council, Alma, Michigan

Sioux Falls Area Education-Work Council, Sioux Falls, South Dakota;
Tri-County Industry-Education-Labor Council, East Peoria, Illinois

These rural councils are members of the National Work-Education Consortium which is composed of thirty members who are active in thirty-five states.

In addition to the state of California, with six rural work-education councils, there are five states where the state governments in collaboration with NMI, are actively developing a host of new work-education councils in small towns and rural areas. These states are:

Connecticut
Minnesota
North Carolina
South Carolina
South Dakota

The Center has developed a **A Charter for Improved Rural Youth Transition** in collaboratin with local rural work-education councils. It has been and continues to be involved in providing technical assistance on joint education and economic development to rural communities throughout the United States.

The Center has conducted national and regional conferences on "Improving Rural Education and Work Transition" and is currently conducting a state wide program "The Education and Work Connection in the Commonwealth of Pennsylvania-1980" in conjunction with the Education-Work Council of Erie City and County, with a principal emphasis on rural areas of the state.

The Center maintains an ongoing information retrieval and dissemination function for the Consortium and over 6,000 groups and organizations concerned with education and work transition in the United States. It provides networking functions to a range and variety of communities which experience a host of education and work transition problems and are attempting to solve them. The Center has been particularly instrumental in linking rural and metropolitan work-education councils in mutually beneficial endeavors.

It has also expanded the opportunities for rural councils to impact on legislation, administrative practices, programs, and services on behalf of their communities. It has promulgated greater collaboration between private, national and regional corporations and individuals, groups, and organizations involved in local rural community educational and economic development. As an intermediary it has provided both catalytic and developmental liaison between local rural communities and state governments and authorities.

The growing and involving experientially based realization that small towns and rural areas require particular encouragement and support for linking education and economic development has moved the Center to actively purse this aim with a number of federal departments, e.g., Labor, Health, Education, and Welfare, Agriculture, Commerce, as well as national rural advocacy groups and rural members of the U.S. Senate and House of Representatives.

In 1976 the NMI set out to identify communities of all sizes and environments where the climate for the development of collaborative councils was right and the interest was high, e.g., Bethel, Maine and St. Albans, Vermont. It also identified rural communities where collaborative mechanisms of some kind were already in place, e.g., Mid-Michigan Community Action Council, Alma, Michigan and The Community Education Center for Community Change, Sioux Falls, South Dakota.

Where a mechanism did exist, the NMI would provide improved staffing, expanded supportive services and technical assistance, and provide methods for focusing on improved education to work transition. Working as a third party intermediary in those areas where interest was high, but no mechanism was in place, NMI aided in developing collaborative linkages and increasing knowledge of collaborative process.

Twenty communities were selected and formed the basis for the National Work-Education Council Consortium. Eight of these communities were either small towns or rural areas.

During the last three years NMI has identified and worked with a variety of other local rural communities and states in the development and sustainment of collaborative mechanisms and processes. It has been involved in an ongoing information development effort which increasingly suggests that education to work transition efforts in rural communities inevitably involve from "safe" educational/career enrichment and work experience to economic development efforts. This evolution requires steadfast and careful development which must proceed at a pace commensurate with the self-determination and the will of local communities, combined with non-threatening support from a third party intermediary. Progress can not be speedy and it may not be artificially pushed along. If pushed, rural councils become moribund. However, when rural councils proceed deliberately, they inevitably move toward the complimentary integration of education and economic development.

GENERAL FACTORS AFFECTING RURAL COLLABORATIVE EDUCATION-ECONOMIC DEVELOPMENT

Rural economic development cannot occur without parallel human resource development. All too frequently, rural inhabitants, particularly those with limited academic and vocational achievement are relegated to supportive, low income position in economic development efforts. Deficient and sparse rural education and training programs and services have resulted in the importation of skilled personnel and managers. Thus, in the main, only limited improvement of local educational and economic development efforts occurs.

Human resource development, traditionally, has been the preview of the educational system. This has occurred through post-secondary programs, as well as public and private alternative educational/training programs and services. The public educational system, frequently, is the most important institution in a rural community. It is expected to uphold the promulgate traditional values and life-styles, as well as prepare its youth to participate in and contribute to the survival and development of their community in the future. It is frequently both the pursuer of the status quo and the principal agent for change. This paradoxical role has permitted other institutions in rural communities to exert a disproportionate influence on community development endeavors.

Human resource development requires a good deal of linkage efforts between a host of public and private institutions and agencies, within and without rural communities. Often, the existing linkages involve vested leadership interests that do not want to change the status quo. This is particularly true in communities where there are gross inequities in the socio-economic well-being of the residents. Upon examination, existing linkages between the community and enabling and enforcement agencies and groups from the outside are found to be exclusionary, limited and compartmentalized. They are frequently self-serving rather than community serving.

Joint education and economic development requires collaboration at all levels, within and without the community. This collaboration must represent the interests of the total community. Targeting of any one interest or group needs to be avoided.

Using umbrella mechanisms such as rural work education councils can be the best method of facilitating real collaboration. The participants in such councils should represent a cross-section of interests which promulgate the community development ideas of area residents. Participants should be willing to commit time and expertise, and assume responsibility for the implementation and financing of jointly determined ventures.

It should be understood, however, that local educational and economic development obtains impetus, authority, governance, resources, restrictions, and opportunities from both within and outside of local rural communities. The primacy of local conditions needs to be symbiotically related to the interests of groups and individuals outside of local rural communities who have either an actual or prospective interest and impact on such communities. The nature of the local needs and the types of initiatives deemed appropriate help to determine what kind of initial organizing nexus should be employed.

Regardless of the organizing nexus, work-education councils should not be given impetus through mandates, legislation, or otherwise. Their growth and development optimally results from self actualized awareness of needs, self-determined goals to fulfill these needs, and an action agenda which encourages and demands the participation of as many interest sectors as possible in the resolution of problems.

All participants in the collaborative process should be simultaneously involved in "doing" and "learning" experiences in which method, substance, and outcomes lead to more encompassing and far-reaching education and economic development.

Rural work-education councils need to pursue manageable objectives and initiatives. These should be initially modest and realizable, providing stepping stones for increasingly more involved and difficult undertakings. A range and diversity of short and long term goals need to be established simultaneously. Opportunities should exist for a variety of persons from rural communities to be involved. Involvement should not be based solely on the amount and degree of power a particular interest group wields economically, politically, socially, culturally, educationally, or otherwise. Opportunities must be provided for persons with little or no power or influence, including youth, minorities, women, and the handicapped, among others to become involved. This may be accomplished, for example, in data gathering and survey work to obtain more relevant and usable information on the standards of rural economic well being, land use, occupational needs assessments and projections, and community resource inventories, among others.

Particular attention needs to be given to the emerging needs and direction of rural economies. Rural economies, be they agricultural, extractive, recreational, manufacturing or mixed, are invariably dependent on domestic and international markets far removed from the bucolic self-sufficiency of an earlier America. Decisions by the Chicago Board of Trade and the Kremlin may have as much, if not more, impact on the wheat farmers of the Dakotas as do events in neighboring counties only a few miles away.

Rural economic developments and their attendant needs frequently necessitate a reappraisal of values by rural communities. A variety of groups with distinctly different value orientations and historical benchmarks need to determine the changing character of their communities and to learn vicarously from other communities who have already experienced profound changes, for the worse and for the better.

Rural economic development, more often than not, is interrelated with the broader economic conditions of regional, national, and international developments. Networking with broader spheres of economic and human resources development needs to be simultaneously pursued with local collaboration and networking. As Henry Weiss of IECC suggests: "Networking that delivers from the bottom-up, top down, and middle out simultaneously is the name of the game."

Despite the fact that the ultimate aim of collaborative efforts is to influence, shape and change policies which affect rural education and economic development so that they may become more relevant and equitable, policy development should be a rational outgrowth of collaborative action agenda and initiatives. In rural communities demonstrated effectiveness of procedures, programs and services generally preceeds policy changes. Great care needs to be exercised to follow the modus operandi and pace of rural institutions. When such are impediments to education and economic development the collaborative process needs to be established in a derivative fashion. Peer group structures and methods of interaction and decision making are more responsive to the modalities of a cross-section of rural interest groups when are directed to the general improvement of small towns and rural areas.

ORGANIZATIONAL DEVELOPMENT OF RURAL WORK-EDUCATION COUNCILS

The diversity of rural conditions suggests that the organizing nexus of work-education councils may differ from community to community. There are several distinguishing elements which may be more critical than others in determining the appropriate model.

ECONOMIC WELL-BEING

Indices which measure the economic well being of rural communities are all too frequently inadequate or even inappropriate. However, some of the standard indicators such as rates of unemployment and underemployment, public assistance, outmigration, productivity, capital investment and gains, enterprise decline and consolidation, construction starts, tax delinquency, etc. providing an overall picture on the general economic vitality of communities.

Knowledge of a community's economic vitality can help determine the need and direction of education/work development. It also helps identify the institutions and enterprises that need to be involved in a collaborative effort.

SOCIO-ECONOMIC STRATIFICATION

All communities exhibit socio-economic stratification. In some, however, the stratification is more pronounced and marked by inequities. When such inequities are accompanied by spatial separation, institutional and enterprise exclusion, educational-to-work transition opportunities foreclosure and generally more structured overall opportunities, the needs of communities may require organizing nexuses which are more open to extra community collaborative involvements and impeti.

Communities with more equitable stratification may evidence a greater capacity to deal with special needs, such as the handicapped, which cut across socio-economic lines.

INSTITUTIONAL DEVELOPMENT AND INFRASTRUCTURE

Institutional development and leadership in rural communities is generally not as extensive nor as varied as in metropolitan areas. The formal and informal linkages within rural communities are much more in evidence, even though sometimes they tend to be exclusionary to the interests of particular groups of citizens.

Rural communities frequently do not reflect the infrastructure and the concomitant functionaries, both renumerative and voluntary, which make it work. Leadership, organizational and technical development are frequently needed and their baseline status must be ascertained and understood in order to determine the nature and type of organizing nexus for collaborative development.

NATURE AND TYPES OF EDUCATIONAL AND TRAINING RESOURCES

Rural education and training programs are generally less numerous, varied and qualitative with some notable exceptions, than their metropolitan counterparts. Frequently the dichotomy between the professional and teaching establishment and the community at-large, which contains untapped resources of expertise, both theoretical and applied, is too severe. Facilities and programs need to be carried beyond classroom walls into the community, both rural and metropolitan.

An understanding of the nature and types of education and training available in rural communities coupled with the capacities and willingness of local communities to build on and expand such, in terms of short and long term education and economic development is vital.

ECONOMIC DEVELOPMENT AS NON-COMPETING AND AUGMENTING TO THE ESTABLISHED ECONOMIC BASE

Community resource and needs inventories by work-education councils have clearly demonstrated that regardless of the economic well being of rural communities, additional economic development of non-competitive enterprises is invariably needed and is potentially beneficial to ongoing economic enterprises, e.g., New Enterprise Institute of Maine.

The involvement of both local and extra local economic enterprises representatives is crucial, initially difficult, but undeniably essential.

Economic development should not be imposed from the outside but should emanate from collaboratively determined needs and should guarantee the enhancement of existing economic enterprises and the improved vitality of rural communities.

ACHIEVING SYMBIONS BETWEEN ENVIRONMENTAL AND SOCIAL NEEDS

The decade of the seventies evidenced a marked change in the attitudes of Amaricans as to their residential preferences - small towns and rural areas -(Gallup). Such preferences, however, are frequently contingent on the availability of supportive life systems which are concomitants of metropolitan living. Rural communities and livelihood pursuits have and are changing. These changes, however, must attend both environmental and social needs and preferences.

Rural communities generally desire to maintain their rural character, despite pressing needs to modify it, albeit to acceptable degrees. The crucial question is to what degree the maintenance of the rural character, given the need for balance between environmental and social demands, can be achieved, with modifications that will not destroy it.

ORGANIZATIONAL DEVELOPMENT OF RURAL WORK-EDUCATION COUNCILS

Different rural conditions and needs may require different organizational models. Regardless of the organizational model, the greater the involvement of important and relevant local interest groups in the collaborative process (one which optimizes local self-determination and development) the greater its chance of success. The collaborative process is best served when rural towns or service centers exhibit a heightened awareness of their education to work transition needs, a readiness (by a cross section of community groups) to provide the commitment of time and resources to active involvement in resolution initiatives) and an understanding and acceptance of the collaborative idea as an "evolving decision and action process." The process should provide room for a variety of interest sectors, be thy adversaries, partners or those normally disengaged or excluded groups, to become involved in peer group interactions in a community development context. The greater the understanding of the collaborative process which sets its own goals, develops its own ways and means, at its own pace, the more appropriate the local organizing nexus.

Locally organized work-education councils which develop from conditions such as these, particularly when such efforts consist of expanding membership development and involvement, resource procurement and management, and the conduct and expansion of realizable action initiatives, do not find the road easy, but may gain a strong sense of self-reliance and elan, so critical in long term community development efforts.

Work-education councils, regardless of their organizaing nexus may be significantly aided by a third party intermediary which can provide networking functions, technical assistance, both methodological and substantive, and linkage functions, so critical to rural communities to gain more realistic access to and impact on the decision making which affects the education to work development in their communities.

needs to be assured. This should occur at every level of county activity: community value clarification, issue discernment, goal formulation, data aggregation and verification, and policy setting and implementation.

Membership in rural work-education councils should be open to anyone who contributes volunteer time to council activities. All involvements should be viewed as preludes to further participation. This requires continuously pinpointing specific needs and functions of council activities, and a careful matching of volunteer capacities, commitment, and available time with such functions. Personal and public recognition of involvement is essential.

Periodic celebrations and assessments should take place. Such events should be widely publicized as focal points for the purpose and mission of local work-education council activities. They should serve to connect individual contributions to the overall work-education council's initiatives and to raise general public awareness as well. As councils develop, such events also may serve as general planning and policy sessions. Referenda on issues, priorities, goals, actions, and leadership could also take place.

In addition to individual volunteer participant membership, there should be organizational and interest sector membership, which comprises a cross section of community organizations with community enhancement or civic groups playing an important role. Particular efforts must be made to help involve groups who lack the organizational structure and leadership to participate as fully as they would like to. Councils should be particularly mindful of involving hidden constituencies.

Membership can range from the informal to the formal, depending on local conditions and preferences. Councils should, however, encourage significant participation in all levels of endeavors and provide a sense of peer group status. Leaders of strong constituent groups as well as unaffiliated individuals should have a sense of belonging, a sense of investment and responsibility in the process.

Characteristically, the leadership of rural communities is generally small, partly as a reflection of small population size. Rural leaders are frequently involved in a variety of organizations and activities, and consequently wear many hats. It is not uncommon to observe local leaders juggling token appearances at simultaneous meetings some distances apart. The involvement of as many leaders as possible in work-education councils affairs, however, should be encouraged. Short of formal involvement, such leaders should be sought out for their support. The relatively small groups of leaders also suggests that their involvement must be appropriate and judicious.

In some rural areas, certain community groups (e.g., ethnic minorities) have traditionally avoided being publicly represented by formally recognized leaders. This "headless horseman" phenomenon needs to be understood, and particular efforts must be made to involve representatives of such groups.

A variety of leadership roles for rural work-education councils is possible. These may be single or committee, alternating or sequential, task specific or general, and formal or informal. Each community should seek its own appropriate expression. Regardless of the leadership type, it must represent as broad a cross section of the community as possible. This may mean that the leadership of rural work-education councils may evidence a melding of policy making and administrative functions.

On-going leadership development would seem to be a primary task of rural work-education councils. Such leadership development is best accomplished through involvement in action initiatives.

Goals should be realistic in nature. They should be both short and long range and realizable. Work-education councils should optimally be free-standing, neutral action forums which in method and substance reflect the values, needs and styles of rural communities.

In order to assure the free-standing, neutral action status in communities, membership needs to contribute time and commitment to operationalize council agenda, and contribute to the financial and in-kind resources. A multiple resource base is the most preferable, with a complimentary balance between local, state, regional and national funding sources.

Operating expenses and needs of rural work-education councils are of two types: secretariat and demonstration. The secretariat consists of a core staff which most typically consists of an executive director, and a secretary. Additional secretariat clerks and assistants may be warranted, depending on the nature and extent of operational activities. Salaries and support expenses for travel, communications, materials, space etc., require a budget between $35,000 and $50,000 a year.

Demonstration initiatives are responsive to the particular needs of rural communities and attempt to show the ways and means by which local programs and services can be improved. Work-education councils should avoid any activities which can be or are being conducted already. They should avoid replication of programs and services and should not be involved in the operation of programs and services on a continuing basis.

Coalition building and networking becomes an important aspect of local rural work-education council development. The organizing nexus, be it bottom up or top down, is greatly invigorated and promulgated by linkages with collaborative consortia and third party intermediaries. The Work-Education Consortium and the National Manpower Institute have immensely aided the development of work-education councils operating in a variety of jurisdictional areas. Currently, work-education councils operate in a variety of jurisdictions. These include a rural school district centered around one dominant community (School Administrative District No. 44, Bethel, Maine–approximately 7,000 population), a countywide operation (Gratiot County, Michigan–40,000 population and six school districts), a three-county operation with a population of over 356,000 living in both urban and rural environments (Peoria-Pekin Tri-County Area of Illinois), an 18-county three state area with a population of over 300,000 (Sioux Falls Area Education-Work Council, Sioux Falls, South Dakota), and a state wide operation with 20 local work-education councils of which six are rural, the Industry-Education Council of California, Burlingame, California.

There are several functions which most rural work-education councils should undertake:

- Information and data retrieval, development, dissemination and utilization;
- Full time core secretarial staff;
- Maintenance of a catalytic support role for existing institutions and groups;
- Maintain a neutral action forum with on-going evolving coalition building both within and outside of communities;
- Minimize replication of services;
- Maintain mutually beneficial relationship between process and outcomes;
- Accept differences between interest groups participating in collaboration, but seek out commonalities which can lead to joint development efforts; and
- Start with motherhood and build toward increasingly demanding and complicated problem resolution.

9

State-of-the-Art Report: Exemplary Rural Education and Economic Development Initiatives

SUSAN J. WHITE

INTRODUCTION

The economic well-being of workers, communities, and enterprises are inextricably linked. The vitality of enterprises affects the fiscal stability of communities and the economic well-being of workers. Conversely, the skill and productivity of a work force and the quality of community services affect the viability of enterprises. So one might presume that linking education programs for workers and economic development planning would be standard procedure. But in fact, local, state, and federal government, businesses, and community organizations have only recently begun to recognize the need for this linkage.

This new interest in linkages has resulted in a variety of "intermediary" mechanisms for collaboration such as Private Industry Councils (PICs), authorized under Title VII of the Comprehensive Employment and Training Act (CETA); the CETA-Local Education Agency (LEA) agreements required for CETA youth programs; numerous business and organized labor joint programs with community colleges, and locally initiated collaborative work-education and industry-education-labor councils.

Universities also are becoming involved as key institutions with the resources to aid prospective entrepreneurs or existing small businesses. In some instances, state university systems sponsor seperately supported, autonomous business research organizations which develop information required for the state's education-economic development efforts.

An example of such a university program is the Alabama International Trade Center (AITC) at the University of Alabama, a counseling, research, and educational center combining the resources of the Small Business Administration, the Department of Commerce, the Governor's Office of International Development, the university itself, and the business community. The AITC provides services to assist the 3,000-5,000 small businesses in Alabama that might be interested in expansion through exporting. AITC uses the academic and research skills of the university faculty and students to provide services which otherwise might be unaffordable.

The Delta Foundation is an example of an intermediary organization, one that has been functioning for a decade. It is a non-profit community development corporation which was organized to develop permanent income-producing businesses and provide employment opportunities for the poor, mostly black residents of the rural Mississippi Delta region. A full range of business and employment opportunities is provided, including management and technical assistance, financing, education, and training. One major component of the Foundation is the Delta

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Private Consultant, National Institute for Work and Learning

Development and Management Corporation which provides technical and financial assistance to minority businesses and acts as a development finance corporation with straight debt or equity financing. The Foundation also runs the Delta Institute for Management Education. Their activities have resulted in the creation of 700 direct and 1,800 indirect jobs.

In the same vein, exemplary local programs that are not intermediary efforts (although some are tied to intermediary organizations that link education and economic development) have begun to spring up throughout the country. And, not so surprisingly, many successful ones have been developed and are operating in rural America.

Because rural Americans are often isolated, more often than not allocated in inequitable share of federal funds, and generally do not have the resources available to metropolitans, they are naturally very resourceful and have many times, pulled together to maintain the quality of life in their community. These attributes are important to any linkage activity and quite apparent in many of the exemplary programs noted in this chapter.

What are these programs and where are they? What are the elements that are usually present in these programs? What strategies can be used in the development of linkages between education and economic development in other communities, and how do these respond to the needs of rural America?

ELEMENTS OF SUCCESSFUL LINKAGE OF EDUCATION AND ECONOMIC DEVELOPMENT

The pages that follow provide a catalogue of identified elements necessary to linking education and economic development, discussion of their roles in linkaged programs in rural America, and examples that portray one or more of the elements. Because these programs are new, and research on them is generally scarce, this list may not include all the elements that help linkage programs succeed.

The six elements or activities we'll be discussing that have been found to be important to successful linkage efforts are the following:

- Identification of resources;
- Development of community support;
- Leadership;
- Coordination and collaboration at all levels;
- Existence of supportive services; and
- Consideration of the characteristics of the community.

Identification of Resources

Bruno and Wright, in their study of *Rural Job Creation* use the basic concepts of modern economic development theory, the five "M's": Materials, Manpower, Markets, Management, and Money.

Perhaps the most important resource that must be identified at an early stage of the linkage process is manpower. The capabilities of the existing labor force must be determined as well as the extent to which these capabilities can be augmented or developed. It must be determined whether those who are unemployed are men, women, youth, senior citizens or handicapped persons, what their skills are, and what their cultural biases and attitudes are (Bruno and Wright, p. 74).

In recruiting representatives of skill training agencies, one should identify existing vocational/-technical schools, community action agencies, and other community-based organizations. If the rural area is served by a CETA prime sponsor as well as a Title III Section 303 farmworker program, the two CETA programs, in combination, can provide resources for economic development.

Chambers of Commerce and other organizations representing the private sector, such as CETA Private Industry Councils (PICs) or professional organizations of business persons, can be good sources of information on markets, transportation costs, finance, and other technical areas.

Local governments often have staff members with the expertise and contacts essential for education and economic development planning. School boards are the government's conduit for local education's funding, policy, and programs. They should be identified and included. Every state government has agencies with responsibilities for economic development and education. State agencies that proved helpful among rural cases studied by Bruno and Wright included the federal-state Employment Services, State Agricultural Agents, and, in Massachusetts, the Community Development Finance Corporation.

Federal government resources should also be identified in the beginning stages of a rural linkage initiative--resources such as CETA, the Farmers Home Administration, the Small Business Administration, the Office of Minority Business Enterprises, and the Economic Development Administration. Unfortunately, many of these agencies' budgets are being drastically reduced, and in EDA's case, the present administration is recommending that it be dissolved.

The Moapa Indian program in Nevada is an example of how these federal agencies provided a potpourri of aid for a collaborative venture through CETA, HUD, and EDA. Since 1969, 15 to 20 Moapa men who received on-the-job training (OJT) subsidized by CETA have been working on a variety of construction projects on the reservation. The Moapa Tribal Construction Company was established in 1976, and with the help of HUD housing project grants in 1977 and 1979, now has a licensed manager and, in addition to work on the reservation, bids on other contracts.

A 1976 public works grant for a community center enabled the tribe to purchase a cement truck, and add extra space to the community center to be used for a badly needed grocery store. The store's rent pays the community center'operating costs.

The tribes most recent project is a tomato producing operation. CETA grants provided training for 35 members in all aspects of the tomato growing business. The tribe then risked financing its first half-acre of greenhouses with a bank loan. HUD then came through with a community development block grant (CDBG) which will be used by CETA trainees and the tribe's construction firm to build more greenhouses.

Federal support does not always have to mean money allocated under specific legislation or programs. The Community Reinvestment Act (CRA) is an example of an "enabling" resource the provides leverage at the local level by requiring banks to make an effort to invest in and provide for the credit needs of their communities. CRA offers great potential for credit-starved rural areas and for disadvantaged persons, who also may be unable to obtain credit for start-up and venture capital. It offers communities an economic development tool by allowing them to monitor the performance of banks in providing the necessary credit to maintain existing businesses and to encourage start-up ventures and other new enterprises.

For example, in Broward County, Florida, eight CETA participants graduated from a Title VII Private Sector Initiative Program as entrepreneurs. Eight local banks agreed to set aside $80,000 for loans for the CETA program participants who could not meet standard credit requirements. These entrepreneurs are presently operating successful businesses that were needed by the community, and the banks have agreed to extend credit to future participants in the program.

As this example portrays, private lending institutions are a vital resource, and they should be included in any serious linkage effort, as borrowed capital is a usual requirement of economic development programs.

"Materials" means natural resources such as land, water, and mineral deposits.

With money, manpower, and materials identified, the next steps are market research and management. What products and services are needed or wanted by the community or outside sources? Market research is a must, and Management, the other M, is necessary to aid in such efforts. Bruno and Wright say that "the most effective approach is to hire the required technical and management expertise outright. It needs to be stressed that an individual who is able to relate to and understand the business community with no other distracting responsibilities will have the best change of planning and managing a successful economic development program. Overlooking this major consideration appears to have been the single greatest cause of problems for CETA economic development efforts."

Once the resources and potential resources have been identified, and key organizations and individuals recruited, the foundation for linking education and economic development in rural areas has been laid.

Community Support

The significance of gaining local support for any new effort cannot be over-emphasized. Community residents' quality of life is affected by the results of a linkage effort and their support and possibly even voting power can influence the success or failure of a program. Three steps in gaining community support are imperative:

- Involving the community;
- Conducting a needs assessment; and
- Educating the community.

Tom Gjelton found that ignoring these steps proved detrimental in Hancock County, Maine. In the spring of 1978, voters were asked to approve the expenditure of $479,000 to cover the first-year costs of operating the new vocational school built at a cost of $1.5 million. They authorized instead an operating budget of one dollar, bringing to a halt the state-mandated vocational education program in the county.

Prior to the building of the school and the vote, Maine's State Bureau of Vocational Education had conducted a study to determine where vocational-technical centers or programs, if any, should be located. The study team was composed only of the Bureau Director, State Commissioner, and a few of the state vocational education staff. No one from local communities was on the team. The state decided on regional vocational/technical centers, and the plan was approved by the state legislature. When the state had a planning director attempt to find out what kind of training local employers in Hancock County wanted, he ran into trouble. This second step was grounded on the presumption that there would be a new vocational program about which the community hadn't been consulted; local advice was sought only beginning with what kind of training programs would be most helpful to employers. The citizens had not been involved from the beginning of the effort, and subsequently they voted against allowing the school to operate.

There was also a lack of an appropriate needs assessment. Hancock County's economy is heavily based on the use of natural resources: wood harvesting, fishing and fish packing, blueberry picking, clamming, and lobstering. But the Bureau noted in their report to the Legislature that "the region has a severe shortage of skilled craftsmen in service areas such as automobile mechanics, carpenters, electricians, plumbers, and retail sales persons." Had local persons been involved, the report might have been written differently.

Finally, the state failed to educate the community and marketing their strategy in an attempt to gain community support. Basically, "there was a failure to build a strong and persuasive case for the idea of vocational education. In rural Maine, vocational education has been subject to ambiguous definition and stigmatization. Indeed, the investigators of the 1962 study of vocational education in Maine found that in most of the state's high schools, the "abler" students were not allowed to enroll in vocational education courses." (Tom Gjelton, Hancock, Maine) This may or may not be the case now, but the state vocational educators failed to persuade the residents of Hancock County of the value of vocational education or to gain their support.

Bruno and Wright also found that the packaging and marketing of a program is important. For example, community support frequently depends upon the labels used to describe the participants. "A program to help handicapped workers won favor only when the label was changed to "non-competitive job seekers.' Similarly, employers participated in training programs designed to help unemployed people after declining to participate in programs for 'welfare recipients.'"

Leadership

"Dedicated leadership at the local level is the most outstanding feature common to all successful programs." (Krishan Paul, Ellen Carlos, *Voc Ed Journal*, American Vocational Association, March, 1981). The quality and diversity of leadership are important elements in linking education and economic development in rural America because of the skill and knowledge needed to handle the inevitable conflicts, competition, and overlapping authority among agencies.

Any linking effort should involve the formal and informal leaders of a community. Formal leaders are the typically visible cadre of business persons, appointed and elected officials, and directors of the traditional community institutions such as hospitals or associations.

The informal leaders are less visible but equally important citizens. Many times these individuals come from longstanding families of the area who wield a considerable amount of influence, retired members of the formal leadership network who are still sought out for advice, and formally or informally organized grassroots groups of residents who have their and their children's quality of life at stake. In a very small rural town which has a less complex set of organizations, associations, and institutions, this informal structure may be the only form of real leadership.

It may be difficult, in fact, to define the leadership and it behooves whoever is attempting to do so, to determine whether there is a specific individual or "gatekeeper" who has access to the power structure, and therefore to the resources in that community. This person's support could determine whether a coordinated and cooperative leadership group for linking education and economic development is cultivated.

In sparsely populated, spread-out rural areas, it may be necessary to tap leaders in several locations to form a consortium. Unfortunately, this is not always as simple as it sounds. "Efforts are often hindered by jurisdictional squabbling and a proliferation of agencies or groups trying to promote growth. Small towns only a few miles apart often have such intense rivalries that instead of pooling resources, they work secretly to lure a firm to the area without letting a neighboring community know. This approach can reduce seriously the ability of governments to finance needed regional services" (Bruno and Wright, p. 27).

It may prove difficult to recruit rural leaders, but once they are involved, they can prove to be extremely dedicated. The very characteristics that make them difficult to convince–commitment to the community and to insuring its values, having a stake in the community, and independence and self-motivation--add up to excellent leadership potential.

It must be stressed that broad-based leadership is important. It ensures representation of all sectors in the community, which is important to the concept of linkages. Where economic development is accompanied by population growth, existing facilities and service delivery systems can be strained beyond effective capacity. If all sectors are involved in the decision-making processes, it is more likely that balanced growth will take place as it allows everyone to be responsive to the changes that result from educational and economic development.

Broad-based leadership also infers a reservoir of necessary skills. Leaders need to understand people and social services; have organizational skills; be able to work with the private sector and know marketing, finance, and management; know the education system; and understand the government at all levels, including grant writing and legislation. All of these are essential characteristics and abilities. They cannot all be found in one person.

Coordination and Collaboration at all Levels

The development of linkages implies the building of cooperative relationships between and among a variety of actors who previously may not have communicated. Effective collaboration usually grows out of sharing either common objectives or divergent but complementary objectives. The more thorough and complex the linkage initiative is, the greater number of agencies that are likely to be involved.

Fundamental to effective cooperation among concerned organizations and agencies at the community level are how clearly each participant's role in the linkage program has been spelled out; how realistic a participant's task is to achieve and the participant's competencies, attitudes, understanding, and commitment. The staff of the Economic Development Institute cited the organizational structure of a linkage program as having been a major element in the successful coordination of a Youth Agricultural Entrepreneur Demonstration Project (YAEDP) that they are helping to manage. This project has so many sources of funding and so many participating agencies, that capacities and capabilities of participants had to be realized at the outset.

Few collaborative linkage efforts have used extensive written agreements between agencies, although such an agreement can represent the degree of commitment and what each participant can actually be expected to contribute. When agreements are put in writing, points of misunderstanding can surface. This may be very healthy as it affords opportunities for resolution of problems that would have ultimately emerged–possibly at a more untimely stage.

Once the conditions of coordination have been established they must be monitored, providing feedback to all involved parties. Objective feedback allows for change and growth, and provides a forum for handling conflict.

Sharing credit for accomplishments achieved through coordination is an excellent way of nurturing linkages, and will provide a sense of "group pride" and cohesiveness.

Advisory boards often serve as useful mechanisms in establishing and maintaining collaboration. A board can review and critique plans while providing an objective viewpoint that helps in maintaining the perspectives of the participants. The advisory board can be especially useful for a rural community in reducing the resistance that sometimes develops when "outsiders" are involved in a local linkage effort.

Another important way linkages may be nurtured is through frequent, informal meetings between individuals or among groups. "It is axiomatic that good communication is essential to good coordination. Informality is conducive to the openness that makes issues clear. In such interchanges, participants can cross lines of organizational hierarchy which permits managers of one agency to confer informally with the line staff of another agency to learn more about problems or routine procedures" (Bruno and Wright, p. 92).

Up to this point, collaboration at the local level has been stressed. Collaboration at the regional, state, and federal levels is also necessary, especially if those levels have pertinent resources--and they usually do.

Regional coordination was touched upon in the previous leadership section, and its importance for small diffused populations cannot be overemphasized.

States represent a planning level with the advantage of control, directly or indirectly, of a considerable amount of resources. State-level resources are particularly relevant now that the administration and Congress are attempting to retarget categorical social monies through block grants. The states would have authority for allocating the federal dollars. Bruno and Wright concur that an examination of 18 states revealed that improvement of employment and training and development of vocational-technical training and adult education are the most frequent economic development strategies engaged in by state governments.

For Gratiot County, Michigan, collaboration, not only at the local level, through the mid-Michigan Community Action Council, but with the state level, has proven most beneficial. Going well beyond the traditional CETA activities, Michigan's Comprehensive Employment Program, funded from the Governor's special set-aside grant, directed the preparation of an overall economic development plan. In rural Gratiot County, the plan is being closely followed and is already producing new jobs, many of them for CETA trainees.

Local vocational training programs have been used in collaboration with state-wide job creation efforts to attract new industry, revitalize existing industry, and expand and diversify a state's economic base.

Collaboration with the federal level of government is also necessary, due to the vast resources that can be made available to rural communities. Sometimes this is the most frustrating level for rural people to deal with. The bureaucracy is notorious for its vast and complex programs and regulations. If a local area can hook up with an intermediary agency, either state or national, they can often find valuable technical assistance in wading through the federal establishment.

Supportive Services

Supportive services are an important element because rural communities are isolated and many times lack the central service centers available in metropolitan areas. When targeting linkage programs for low-income residents in rural areas, many federal programs have not taken into account the expenses of running decent, responsive programs. If a rural community is really serious about developing its human resource potential, it must recognize that a productive workforce must be health, have decent living quarters, have a place to leave their children during work hours, and have transportation to get to work.

The Utah Migrant Council (UMC) in Spring Lake, Utah, is an example of a program that was geared heavily toward supportive services and then moved into improving housing for migrant workers, training construction workers, and now plans to begin solar fruit and vegetable drying operations. The Council has the overall goal of providing supportive services to those who wish to remain agriculture and of providing alternatives to farm worker families who choose to leave agricultural work.

In an effort to get better health care to the farm workers, the UMC has established three migrant health clinics in areas of heavy farm worker concentration. The UMC pre-school project operates five pre-school centers for migrant children. An emergency assistance program enables the UMC to provide crisis intervention or short-term assistance to migrant and seasonal farmworkers and their families, primarily in the form of food vouchers, food stamp purchases, and travel assistance.

The UMC also operates an employment and training program whose primary purpose is to provide training and educational opportunities to migrant and season farm workers, ultimately leading to full-time employment.

The Spring Lake Housing and Development Project obtained older housing and renovated it and constructed a fruit dryer and greenhouse. CETA funds provided development monies to plan the project, funds for construction trainees and supervisors, and for technical assistance.

The combining of supportive and training activities with a development effort has resulted in the elimination of many problems that plague other development projects. Transportation of trainees to the job site was accomplished by using a UMC van. Trainees with language, housing, or other problems were eligible for help under the UMC emergency assistance program; those with health needs were eligible for UMC health clinic services; and trainees with young children could use the UMC Head Start program. This umbrella of supportive services is one reason this project was able to proceed so quickly (Bruno and Wright, Case Studies).

Consideration of the Characteristics of the Community

Finally, the success of any education/economic development effort will be in large part determined by the degree to which the community's environment has been considered. The planning group must have an understanding of the characteristics of the population, the cultural values, the political environment, and the resources available to the community. If the linkage effort has already searched out a broad-based leadership and conducted a needs assessment while enlisting community support, the environment will become known.

Population is an important consideration in rural areas because government programs tend to allocate funds on this basis, using unemployment and AFDC public welfare recipients as indicators of numbers of people in need. Although the inequities of this approach in terms of federal rural aid have been widely documented, nonetheless it is a reality. In planning coordinated efforts it should be determined whether a rural area will be eligible for the funds planned for program use. Again, this is where a consortium of communities might qualify for aid, as under the CETA Balance of State.

One also needs to understand the cultural values of rural people. "Some of the work habits in rural parts of the country--particularly among farmers and the self-employed--have to do with attitudes toward time. While industrial life has relied on the motor and time themes of Fredrich Taylor, farm life has always operated on a natural cycle, governed by the sun, the seasons and the weather. The agricultural worker and the small businessman are more independent, used to fashioning their own work schedule rather than working under rules set down by others" (Stuart Rosenfeld, "Different Voc's for Rural Folks: Vocational Education in the Country," NIE, 1979). Taking these factors into account, a linkage effort should consider small scale business development and aid to entrepreneurs rather than large scale industrial economic development "just because it creates jobs."

Politics can also play an important role in rural development efforts. In half of the programs studied by Bruno and Wright, local government resisted the economic development effort. Those projects that had the support of elected officials reported fewer problems. Typical problems enumerated by projects facing resistance of the local power structure were inability to secure venture capital from lending institutions, difficulty in overcoming zoning restrictions and other regulatory requirements, difficulty in accessing markets for goods produced, and difficulty in effecting good working relationships with agencies that could provide needed resources.

STRATEGIES FOR LINKING EDUCATION AND ECONOMIC DEVELOPMENT

This section attempts to identify three basic strategies that can be used to link education and economic development. Each strategy has its virtues and its drawbacks and none is a panacea for complete economic and individual health. With complex linkages occurring more frequently, it is becoming difficult to isolate these strategies. What really differentiates them is emphasis.

In pursuing linkages, every rural community must decide whether to emphasize education; job creation; or overall community development, based on the assessed needs of the area, and what the community will support. Every community is different, and this should be kept in mind when exemplary programs are identified. The circumstances of a particular community that makes a strategy work may not exist somewhere else.

Strategies that Emphasize Education

A major reason industries don't locate where the rural poor are heavily concentrated is the generally lower quality of the labor force. An education strategy can be important in improving labor quality by increasing the basic skills and educational attainment of people already in the work force and those preparing to enter it.

Where basic skills are not a problem, education and training initiatives have until recently assumed that unemployment was basically structural in nature–that if people had the requisite sets of skills and attitudes they would find meaningful work. For many people this has been the case, but in depressed, isolated rural areas with few or no job opportunities this assumption has proven false. This is evidenced in rural America by the high rates of underemployment and by the recurrent outmigration patterns. In an effort to balance the supply and demand sides of the labor market, attention has increasingly turned toward linking education programs with economic development efforts.

Lately, education, with vocational education playing a predominant role, has been offered as an incentive to attract industry to some states. It is questionable whether such a process is education for individual development or merely an economic development strategy that considers the training and education needs of the enterprise rather than those of the individual. These programs are billed as "free training." South Carolina is well known for its statewide efforts in attracting the private sector through its special for-industry state-subsidized job training program.

South Carolina's "Special Schools" program claims to be the country's oldest program in state subsidized direct training for industry. In order to compete with other states and to provide industry with a constant stream of trained personnel, sixteen postsecondary technical centers were built to povide two-year and four-year degree programs. These programs are geared toward responding quickly to the needs of industry. Recruitment, screening, and testing of trainees is usually done by state agencies, with industry ultimately involved. No trainee who enters the program is guaranteed a job, nor are any of them paid during the training sessions.

"Although public officials claim that their special job training programs help create new jobs there is no independent evidence to support this hypothesis. Furthermore, the argument that vocational training is in itself a significant factor for attracting industry can be considered questionable. Massachusetts, for example, with the highest per capita expenditures for vocational education in 1976 experienced one of the lowest rates of job growth between 1970 and 1978. At the same time, Arizona, New Hampshire, and Texas, with vocational per capita expenditures far below the national average, were experiencing some of the highest job growth rates in the country" (Bob Goodman, *Free Training*, NIE Report).

Another concern with special job training programs as a strategy for linking education and economic development is that "there is a need for a more diverse set of skills in the country, contrary to the trend in industry toward more and more specialization" (Stuart Rosenfeld, Different Voc's for Different Folks, p. 24). There is evidence that the jobs that people are trained for are so specialized that they don't allow for job shifts even within the same industry. The choices become more limited for the workers and if they choose to change jobs or lose a job, they must be retrained.

In these programs, too, the curriculum and the criteria for who gets trained and what they get trained for, are completely determined by industry. The issue of the private sector's influence over public education is an old and controversial one.

The selection process is also a concern when allowing the private sector to intercede in who shall be educated. "In South Carolina, Special Schools help to screen only the most suitable applicants according to industry's criteria. State officials that this often translates into screening out people with union backgrounds or sympathies, avoiding areas with high minority populations and assigning jobs by sex-role stereotypes" (Goodman, p. 38).

Finally, this approach ignores the local level, community involvement and support elements as requirements for successfully linking education and economic development in rural America. The decisions are made at the state level with private enterprises, and the needs of the community--whether they even want economic development--are rarely, if ever, considered.

There are other ways in which an education strategy has been used to successfully link education and economic development in rural areas. Staples, Minnesota, as studied and written about by Tom Gjelton, began to approach their decaying economy through the schools. They developed a top rate vocational curriculum, with the support of the entire community, and marketed their quality school system. Ultimately the strategy looked like an overall community development approach, although the emphasis still remained on education. One of the elements which Staples has maintained and which has contributed to its success is local level involvement and investment. This is what is lacking in the South Carolina training approach.

Another way in which an education strategy can take the lead role in linking education and economic development is in the establishment of rural school-based development enterprises. This requires the creation of an organization under the sponsorship of a rural school district, whose purpose is two-fold: (1) to function as a full-fledged community development corporation working for the economic and social welfare of the community as a whole, and (2) to provide vocational and career training for rural high school students that is relevant both to their own needs and the needs of their community as identified through a school-based development corporation. These enterprises are being developed in six rural Arkansas communities (Rural School-Based Development Enterprises Report).

Direct Job Creation Strategies

In the area of labor market policy, this country is increasingly seeing a major redirection of legislative and program authority–away from designs meant to change the productivity of individual workers through subsidized, public sector education, training, and other support services, and toward direct job creation efforts–the "demand" side of the labor market. Direct job creation strategies are either targeted to specific populations or industries or non-targeted.

Targeted job creation policies have two major objectives. The first objective is an increase in labor demand for specific groups in the economy such as youth, minorities, handicapped, or those with little education or skills. Because normal labor demand for these groups is often inadequate when other groups are fully employed, they are referred to as the structurally unemployed. Because these groups tend to be found at the bottom of the earnings distribution, the reduction of the number of persons below the poverty level is a second objective of targeted job creation efforts.

Targeted job creation programs include direct public service employment and employment subsidy designed to create jobs in the private sector.

Most prominent among public sector targeted job creation programs is the Comprehensive Employment and Training Act (CETA). The 1976 amendments reserved 250,000 job slots for disadvantaged workers and by 1979, 43 percent of the nearly 700,000 CETA jobs were being performed by the structurally unemployed.

Targeted job creation is also the basic approach when programs use federal funds to train people in programs that eventually become income generating themselves. Under CETA, (Title I, Sec. 123(h)), a funded program becomes a for-profit enterprise, employing and training disadvantaged persons. In some cases, the goal of the project is for these people to eventually become self-employed. In some rural areas, this is proving to be a way of assisting unskilled populations, realizing small scale development, aiding in making a reality the strong rural tendencies toward self-employment, and supplying needed goods and services to the community. The Youth Agricultural Entrepreneurship Demonstration Project (YAEDP) exemplifies this approach.

YAEDP is being conducted under an interagency agreement between the Farmer's Home Administration (FmHA), the Science and Education Administration–Extension (SEA-Ext) of the Department of Agriculture, the Office of Youth Programs of the Department of Labor, and the Office of Economic Development of the Community Services Administration. The grantees are located in Toa Bajo, Puerto Rico; El Rito, New Mexico; and Molokai, Hawaii.

The purpose of the project is to assess the viability of creating agricultural support services, with part of the objective being to provide training and work experience to unemployed rural youth between the ages of 16 and 21 who are elementary or high school drop-outs. The projects are designed to demonstrate that farming and other agriculturally related occupations are viable career objectives for these youth and that underused agricultural resources, as well as other complementary trades such as marketing of farm produce or supplies, or diesel mechanics can become sources of income and jobs in depressed rural areas. Institutes, the organizations under which the projects operate, coordinate and provide support services to youth including basic education, vocational and business skills training, counseling, technical assistance and financial aid to assist them in pursuing careers in agriculture once they have completed the two year program.

The projects are also designed to operate agricultural or agriculturally related businesses with the objective of generating program income which will off-set federal subsidies and eventually allow the institutes to be self-sufficient.

The Institute for Economic Development, Washington, D.C., is representative of an intermediary, as it provides monitoring and technical assistance services to the YAEDPs under another grant from FmHA, in the areas of grant financial management, curriculum and business development services.

The issue of targeting has presented some problems to the YAEDPs, due to the CETA eligibility criteria. The New Mexico project exemplifies the difficulties of using CETA targeted monies for many rural areas. The CETA money used for training in the projects is very specific in determining the eligibility of participants–in this case, 16-21 year old school drop-outs. Due to the sparsely populated New Mexico area, project operators had to reach out into the more isolated areas to find potential enrollees. Transportation to and from the Institute had to be provided for, and in this particular instance, the buses were consistently unreliable. As a result, the participants spent a great amount of time commuting. Subsequently, many dropped out. Through extensive time, effort, and commitment, the project has overcome the majority of problems, but these circumstances are representative of the lack of sensitivity that federal programs, in general, have for special rural problems. If the eligibility guidelines were not as stringent, the project could have served the area in which it is located more adequately.

Another approach to targeted job creation is directed at employers. Targeted programs can reduce the employer' wage bill by paying for training, for example. Or there can be direct subsidies to employers as in the Targeted Jobs Tax Credit (TJTC). The tax credit equals 50 percent of the first $6,000 of wage cost for the first year of employment of any newly hired person from a designated set of categories--youths from low-income families and disabled workers among them.

For rural America the issue of targeting has presented many problems. CETA generally has been developed with a metropolitan bias. Measurements of need such as unemployment and numbers of households receiving public aid, have resulted in the provision of less than adequate resources to rural areas.

The second kind of direct job creation is non-targeted. This approach is an aggregate stimulative policy based on the theory that monetary incentives to the private sector will contribute to its expanded growth and development and to the creation of jobs. Non-targeted job creation policies focus on enterprise development rather than individual development, assuming that a trained or trainable work force exists and that unemployment is basically cyclical in nature.

Proponents of this approach point to what they see as excessive problems with targeted job creation programs, which are exceedingly difficult to design and administer, particularly in isolated rural areas, and more costly than a general expansion of aggregate demand.

In the purest sense, the non-targeted approach provides incentives, usually in the form of tax allowances to the private sector, and does not address who will be employed or what services can prepare people for employment

A more flexible strategy may include the involvement of some government monies although the objective of the program is still to assure the success of an enterprise or to attract business.

Examples of incentives for non-targeted direct job creation that take place through government subsidized programs are technical assistance to small businesses, venture development (loans for start-up capital, acquisition, expansion), and cooperative development.

For example, small business management programs are geared toward increasing the trainee's knowledge and understanding of economic and business principles, improving operation and recordkeeping skills, strengthening problem solving skills in response to changes in the economy and markets, and strengthening a manager's ability to link with other community sectors. Most small business management programs are community based, frequently operating out of a local college or university. Courses are sometimes taken to the trainees by offering them in store front classrooms and nearby public school facilities. Typically, these programs involve community colleges, adult continuing education centers, and the agricultural cooperative extension service. Classes involve small group meetings, monthly on-site instruction and consultation, frequently supplemented by special classes on advertising, marketing, and sales (Bushnell, The Role of Vocational Education in Economic Development, p. 32).

A program which exemplifies the provision of technical assistance to small businesses is the Economic Development Laboratory of the Engineering Experiment Station at Georgia Institute of Technology, established by the Economic Development Administration (EDA). The program was set up in response to small business persons' needs for direct, personal guidance in resolving specific technical problems. The delivery system involves an outreach effort from the University via industrial extension divisions. The approach involves one-on-one consultations between entrepreneurs and the Center's agents who work on site and draw upon the University's technical capabilities. The program offers services to 154 counties in Georgia. These counties are the most depressed in the state and have inadequate employment opportunities, which has resulted in high unemployment, poverty, and out-migration. By stimulating expansion, diversification, and formation of small enterprises, the Economic Development Administration hopes to address these problems (Case Study Profiles, Project Need It, the Entrepreneurship Institute).

Community Development Strategies

If, as many economists have defined it, economic development has two equally important components, this third strategy may be a preferable approach for many communities. These two components have been described as:

1. economic growth, which refers to increases in employment and earnings; and
2. community development, which refers to improving the quality of life and includes more and better schools, roads, hospitals, recreation, and many other tangible and intangible qualities that make a community better for its citizens.

It seems illusory that economic and individual growth and progress can be advanced if community development is overlooked. Unfortunately, for many small towns and rural areas, there has been a cycle of underdevelopment. If there are few people and a bare minimum of profitable enterprises, the tax base is too small to support public service and overall community needs. An outmigration of financial resources means that the tax base has been eroded and community services become less and less adequate. A cycle develops because the lack of public and community services also hinders economic development.

In such instances the elements of community support and involvement, cooperation, leadership, and resource identification can play a vital role in determining a community's destiny.

Community development strategies imply concern for and investment in the total community, and the belief that a long-term developmental effort is the solution to continued economic and individual growth. Community development advocate linkages between education and economic development, and linkages include not only education institutions and business, but all sectors of the community. Success through this strategy can probably be best realized through an intermediary that is unbiased and does not, at least openly, emphasize either education or economic development.

This strategy requires many activities to occur and be maintained such as the provision of technical and financial assistance to increase the capacity of agencies and businesses to initiate job-creation activities and to prepare people for jobs; the development and sustainment of information sharing networks; the development of adequate infra-structures–physical upgrading schools, roads, and water and sewer facilities; and a commitment to serve everyone, including the disadvantaged populations residing in the area, or moving in, due to increases in labor demand. This strategy further assumes that the chosen leaders for the linkage effort will be representative of every sector in the community in order to meet the total community needs.

The Delta Foundation exemplifies an organization that has pursued a community development approach to linking education and economic development in the Mississippi Delta region. The population, mostly black, is among the very poorest in the United States, with few essential services available within the community.

"The key elements to replication depend on strong community involvement. Not only does the Board represent various community organizations, but it provides a strong sense of communication between the Foundation and the community it serves. Its objective is to foster labor-intensive opportunities which represent models for other development projects. The Foundation has also recognized the need to plan for and adapt to change. By basing all of its activities within the community concept, it has developed a synergistic relationship with that community" (Case Study Profiles, Project Need It, the Entrepreneurship Institute, p. 73).

SUMMARY

Although research is limited on initiatives to link education and economic development in rural areas, we are able to reach some preliminary conclusions about what has worked well in these relatively new efforts and there are some exemplary programs we can look to for instruction. Rural groups beginning new initiatives or working on on-going efforts at linkages would do well to keep in mind the elements that appear to be important in successful efforts:

- A solid base of information about resources available to your project;
- Keeping your community informed and involved in economic development plans in order to assure community support;
- Identification and involvement of both the formal and informal leadership structures of the community;
- Collaboration at all levels and with all sectors of the community and with state, regional, and national organizations and agencies;
- Development of supportive services that enhance the work environment and the community; and
- Thoughtful consideration of the community's values, population makeup, and political environment.

With this base of knowledge, cooperation, and support, the community can decide which strategy is most appropriate for their effort: concentration on provision of education opportunities, direct job creation, overall community development, or a balanced combination of all three strategies to answer their community's particular needs.

APPENDIX A

TOWARD AN AMERICAN RURAL RENAISSANCE: A STATEMENT OF PROPOSED NATIONAL GOALS FOR RURAL HUMAN RESOURCES AND ECONOMIC DEVELOPMENT DURING THE DECADE OF THE EIGHTIES

The future of our lives in rural America--really the many different rural Americas--depends on the abilities of diverse interest groups and leaders to piece together educational and economic resources in creative ways, well-fitted to the needs of their respective regions and communities.

Education and economic development are complementary activities. Yet in practice we find them crucially disconnected in rural communities. And across that disconnection lie crucial barriers to rural economic prosperity, political consensus, and social and cultural renaissance. These barriers--misused opportunities and resources, failure to anticipate new opportunities, and, most damaging, the tendency toward fatalism in the face of problems--are not inevitable.

The means to remove them is within reach in the form of education and economic development activities of the types described in this report. Considerable effort will be required to create the connections needed. But the feasibility of linking education and economic development in rural development is greater now than at any time since the industrial revolution.

It was with the challenge of "realizing rural human resource development during the decade of the Eighties" that several hundred rural community leaders met during late 1980. At four regional and one national meeting, these leaders--including educators, business representatives, farmers, bankers, agricultural extension agents, representatives of rural advocacy groups and minority interest groups, and public agency officials--worked collaboratively to develop consensus on a set of proposed national goals for linking education and economic development in rural America.

The national conference, hosted by the National Institute for Work and Learning at the National 4-H Center in Washington, D.C., followed the four regional conferences in Alma, Michigan; Farmington, Maine, Charleston, South Carolina; and Ceres, California. Each of the regional meetings was hosted by a local collaborative work-education council.

This paper offers those goals (and the rationales behind them) as the essence of those many discussions. The voices of leaders from rural communities prevade these goals.

Most crucially, these goals flow from a consensus that the presentation of rural values in the midst of continuing economic change is feasible in educational institutions can become a focal point for the local planning to preserve and enhance the life of rural communities. For these people, economic development and growth is a vital need. So is the preservation of a rural way of life. Highly valued and respected as they are in rural communities, education institutions must serve as the linkage point for those two objectives.

During the 1970's, for the first time in the nation's history, the growth of our cities stopped, while the real decline of rural population was reversed for the first time since the census of 1890. These demographic shifts reflect a reassertion of America's historic rural values: a preference for smallness, friendliness, stability, access to natural surroundings, and family life. Clearly America is foremost a nation of urban and suburban communities and will remain so. But the hold of rural values remains strong, preferred by a majority of Americans according to the Gallup poll.

Today the classic disadvantages of rural areas--their loneliness, lack of amenities, and (an advantage to some) isolation from world events--need exist no longer. Revolutions in technology, transportation, and communication technologies are rapidly making rural areas economically viable for people with very diverse skills. It has become essential for a rural person who effectively pursues a variety of livelihood options to be plugged into production, marketing and governmental strategies nationally and internationally. (It has become possible to live in a rural mode while "plugged" into a sophisticated economy and polity.)

The realization of this possibility, realizing the contribution which traditional rural values can make to a national society, emerges as the underlying goal of these conferences and papers.

Among the many pressing issues and problems discussed at the conferences, ten priority areas were developed by a National Advisory Panel and staff of the National Institute for Work and Learning. These priority areas are:

The Changing Face of Rural America: Myths, Realities, and Trends
Public-Private Collaboration in Rural America
The Nature, Types and Scale for Rural Development
The Role of Investment Capital in Rural Development
Balancing Rural Human Resource and Technological Development
Linking Land Use and Economic Development in Rural America
Linking Education and Training with Rural Economic Development
Enhancing Traditional and Innovative Rural Support Services
Serving Special Rural Interest Groups
Rural Coalition Building

For each of these priority areas, this goals statement identifies a central problem affecting the effectiveness and quality of human and economic development in rural areas during the next decade. In each case a problem is answered by a goal. Examples and rationales are provided to explain both the problems at hand and the proposed goals.

ISSUE: THE CHANGING FACE OF RURAL AMERICA

Problem: Rural America is changing, both in demographics and economics, but we cannot identify the characteristics of change in a timely manner essential to effective management.

Discussion: Approximately 60 million Americans now live in non-metropolitan areas, with 75 percent of all non-metropolitan counties in every region gaining population during the 1970s. Only a small portion of rural people are full-time, commercial farmers. Increasingly they participate in non-farming pursuits both in their rural communities and as commuters as suburban areas turn metropolitan and arteries of economic growth extend into hinterlands. Yet the number of small farms increases, part-time work characterizes much of the labor force, and rural poverty remains tucked among vacation homes. Communications technology also makes rural living more feasible. Computers "cottage industries" may escalate this trend. But technology limits too: rural areas become sites for industrial wastes and precious rural water tables become dangerously reduced and the water itself polluted by intensive use of chemical fertilizers and other ill pursued land use practices. Large scale agricultural methods undermine years of patient conservation education, resulting in losses of irreplaceable topsoil. The very qualities of rural living that attract urban emigrants gradually disappear through increased density and new life styles. The point is not to praise or condemn. Rather we must understand and manage our resources, both human and environmental, more effectively.

Goal 1: To develop a wholly new structure of information and communication between rural areas and the principal sectors influencing change: business/industry, state governments, and the federal government.

Comments: Accurate information on rural demographics and economics is needed at the regional and subregional level. Information on schools, social services, unemployment, underemployment, occupational structure, and economic activity should be the foundation for planning activities by local communities, prospective employees, and governmental agencies.

An information and communication structure for rural development should include: a detailed, updated data base on regional and subregional characteristics; a convenient, low cost access system useful to corporate planners, site location firms, public and private economic development agencies, and education and human resources planning agencies; and formal, state level rural development task forces of leaders from local and state government, business, labor, education, rural advocacy groups.

Microcomputer-based information retrieval and dissemination systems to link rural communities with state, regional, national and international decisionmakers and data bases. Adequate technical support and training in system operation is essential.

More mid-decade and special census data regarding the characteristics of human, economic and educational well being of rural Americans.

Develop 'One-Stop' Rural Information Centers where access to both public and private information is available to rural people. Particular emphasis should be placed on the more effective and logical linkage of governmental programs, services, regulations and eligibility requirements.

ISSUE: PUBLIC-PRIVATE SECTOR COLLABORATION

Problem: A lack of mutual support between public and private sector planning impedes effective economic development and education in most rural areas.

Discussion: Starting with a few Southeastern states in the early 1970s, many state governments have now initiated state-wide economic development programs. The need for private investment is recognized as is the method of linking the interests and resources of established business groups to state economic development strategies. Too often, however, the very economic and skill deficiencies which require economic development as a remedy are themselves obstacles to the entry of new firms. As fewer and fewer industries seek low skill employees, education and training become prerequisites for an area's economic development. Economic development in turn creates additional demands for skill upgrading and employment transition services when plants close or new technologies are used. The essential factor: lack of sequencing in education, training, and employment strategies undermines effective economic development.

This problem is especially acute in rural areas where the success or failure of rural development strategies frequently hinge on the investment decisions of but one or two key firms. Longterm public sector programs and upgrading of rural education systems must precede and be concomitant to rural economic development. Rapid growth in areas blessed with natural resources may by-pass local residents, especially the poor. During the past twenty years, much progress has been made in understanding the factors that separate rural development from rural exploitation. By emphasizing open communication between the public and private sectors at the community, state and regional levels, the development process puts short and long-term economic growth objectives in the service of long-term social and political stability.

Goal 2: To development local, state, and regional programs and policies which start from realistic assessments of the strengths and weaknesses of specific rural areas and work toward collaborative strategies joining public and private sector resources into rural development networks.

Comments:

- The development of a much needed National Rural Development policy. Such a policy should be formulated by a coalition of local, section, regional, state and national rural representatives. It should be based on the actual needs of a set of rural regions with definable homogeneous human and ecological characteristics. Such regions need to be defined and established through the aegis of a U. S. Rural Development Commission to be appointed by the President of the United States and be comprised of representatives from both the public and private sectors.

- The creation of a series of rural advocates in each of the federal departments, bureaus and offices. Such advocates to have the rank of assistant secretaries or its equivalencies and be backed by staffs of commensurate size, importance and powers.

They would be charged with oversight regarding programs, regulations, statutes, et. al., that pertain to rural (i.e., nonmetropolitan) populations.

They should also constitute a federal Rural Development Council with sub-cabinet rank, charged with the coordination of all programs and services for rural Americans. Its principal purpose is to minimize replication, maximize services and develop more efficient and reasonable responses to the development needs of rural America through a federal coordination strategy.

- The development of a more rational and flexible criteria whereby federal rural programs, services, guidelines, regulations and eligibility requirements are determined and administered. Such criteria should be responsive to rural conditions and not be derived as they have been, from urban models.

ISSUE: NATURE, TYPES, AND SCALE FOR RURAL DEVELOPMENT

Problem: Large scale, single project economic development initiatives rarely provide the variety of training and employment options needed to enrich rural life.

Discussion: Rural people tend to view economic development initiatives, and any externally initiated development activity, with great suspicion, ambivalence, distrust, and even outright antagonism. Given the real, sometimes desperate economic conditions of many parts of rural America, this basic distrust may seem shortsighted, even perverse, to outside urban observers.

But true self-interest and wisdom lies at the heart of this emotional response. Too many rural areas--of which central Appalachia has been the most visible--have been the victims (and beneficiaries at times) of monolithic, single industry development. Other rural areas, witnessing the regressive effects of some company town environments, have preferred continued isolation to that kind of economic development.

The key fact is that rural people persist in rural areas because they prefer (at real cost in other respects) the quality of personal and social living not found elsewhere. Moving to urban and suburban areas has been all too easy a step, one forced on many rural people. Those who persist in rural areas, and those recent immigrants to rural communities, are not ready to sacrifice the quality of their lives to any kind of economic development. But they see in the rekindling of some rural economics, models of efficient and sensitive matching of economic and social purposes.

Goal 3: To create rural development strategies and projects tailored to the needs of inidividual firms, the resources and needs of specific rural communities, and the qualities of life prized by rural residents.

Comments:

- Governments and the private sector should provide more realistic opportunities which appropriate incentives for coordinated training programs for rural Americans. Such programs need to be responsive to the needs of three principal rural interest groups

--cross-section of rural persons
--rural communities
--private economic developers

- Agricultural Land Grant Colletges and Investors, Agricultural Extension Service, and rural proprietary schools and programs including those operated by community-based organizations should be involved more integrally in the full training and education components of short and long range rural community development.

  Such efforts should both in scope and dimension resemble the halycon days of the 30's, but should be designed and operated with the fuller participation of the private sector.

- Rural Community Development needs require a shift from pervasive and growing trend of macro-economic to micro and medium range rural economic development. Emphasis in existing programs such as administered by the Small Business Administration and Farmers Home Administration need to be re-examined and designed to extend opportunities to small scale development needs of rural Americans.

- The changing trends in rural occupational options need to be more adequately taken into account in the nature and scope of curricula for both in school (K through post-secondary)as well as Adult and Continuing Education programs.

The redesign of curricula should be facilitated by the provision and concentration of needed resources by state, federal enabling authorities and legislation in a representative set of Rural Demonstration Zones which characteristically reflect the heterogeneity of rural American conditions. Such zones should provide a storehouse of data and information for the on-going growth and prioritizing of education and training curricula which respond more optimally to the changing demands of rural economic development.

ISSUE: THE ROLE OF INVESTMENT CAPITAL

Problem: A serious lack of investment capital for rural economic development undermines community initiative and creates dependency on government leadership.

Discussion: Pressures on investment capital are intensive throughout the nation as government and large corporations borrow massive sums at high rates. Smaller federal loan programs earmarked for rural areas have played a crucial development role since the Depression Era. But even these programs have the effect of by-passing the small businesses and smaller farmers upon whom so much of rural economics is based.

Formally, one would expect that the trend toward population growth would in itself enrich the cash economics of many rural areas. Unfortunately, this expectation rarely is justified by the facts. For one, residents with access to transportation typically shop in the suburban and urban shopping centers where they work. Small town business centers are threatened as a result.

But a second trend in rural capital investment is more threatened still and runs counter even to the demographic trends. This unobstrusive threat lies in the Bank Holding Company Acts which various states have legislated. These laws permit banks in larger cities to expand their operations into small towns by buying existing banks or building new ones.

One persuasive argument of the bank holding company proponents is that economy of scale makes it not only desirable but inevitable that the independent small town banks be replaced by branches of the large city banks. Indeed, the small town bankers resisting the passage of the Bank Holding Company Acts are made to appear as backward fellows clinging to outmoded and inefficient banking practices and denying their rural areas the blessings which such large banks would surely bring.

The argument for the Bank Holding Company Act goes as follows: "Banks in rural areas as extensions of the big banks with their up-to-date computerized methods will mean greater internal operational efficiency with lower costs and higher bank profits and, more broadly, the farmers and small town residents will enter a new era of economic development brought about through access to the great financial strength, wide range of services, and broad-visioned, dynamic policies of the bigger banks."

Evidence from studies carried out in Georgia, however, points to the opposite conclusion from those sincerely put forward by the bank holding company proponents. In that State studies by the Independent Bankers of Georgia show that it is the independent small town bank and not the large city bank which expresses economy, and appropriateness of scale in rural areas, and which on the average represents both internal efficiency and greater external development for the community. For example, statistical studies in that State have consistently shown an average profits-to-assets ratio which is higher for the smaller banks than for the state's larger banks.

But there is a deeper, more significant factor than bank profitability which is involved in the steady disappearance of the local small town bank in the rural area, and that is the loss of personal contact between the banker and the resident of the area. It is from personal knowledge of people that the banker can judge a man or a woman's character and determine whether that person is credit worthy. The large city banks typically operated through their small town branches with decisions made in the home office and based on computer printout data which in turn are based on preset formulas, which effectively block judgements based on personal character. The problem is that development is made by people and comes through drive, strength, determination, and personal competence. In a word, it is not collateral, but human character which produces development.

Goal 4: To assure that investment capital policies and practices treat rural areas with equity and do not produce unintended negative consequences harmful not only to rural areas but to the nation as a whole.

Comments:

- The more effective coordination of existing federal and state loan and investment programs needs to occur. Such investment programs need to more adequately reflect the rural development needs of small scale and micro-economic enterprises. Particular emphasis should be placed on rural development loans and investment financing which range from $5,000 to $50,000.

- Rescheduling of priorities and incentives accompanied by more solid education and outreach programs of field staff needs to take place.

- The availability of low interest long term loan guarantees for the upkeep and development of small scale farm and non-farm rural enterprises need to occur. Small scale individual and family enterprises provide the largest number of jobs in the U.S.A. Greater emphasis and priority needs to be provided to the preservation and growth of such enterprises. This is particularly the case in rural America.

- Continuing and Adult Education programs need to be strengthened in rural America. This is particularly true in financial management, micro-computer technology, marketing, and multiple skill development and enterprise management.

- Redesign of Unemployment Insurance programs and Minimum Wage Guidelines and eligibility requirements for rural small scale economic enterprises and agricultural workers needs to occur.

ISSUE: BALANCING HUMAN RESOURCE AND TECHNOLOGICAL DEVELOPMENT

Problem: The "classic" experience of agricultural societies throughout the world over the past century has been one of increasing mechanization resulting in farmland consolidation into larger units with higher capitalization and lower manpower requirements, resulting in turn in outmigration and poverty for those displaced by mechanization. Today, energy costs, mass production farming methods, and rapid changes in manufacturing technology all reinforce this experience.

Discussion: The tragedy of these agricultural societies, rural America included, has been the almost universal failure at great cost to all of basic social institutions--family, church, schools, government--to cope with the profound changes wrought by mechanization that process and that failure continue today. Education programs in rural schools and colleges, even allowing for budgeting and staffing disadvantages, do not prepare young people to negotiate careers in either rural or urbanized environments. The new technologies that should create entrepreneurial opportunities for rural residents are all too frequently not taught. The agricultural knowledge and skills needed by part-time, small-scale farmers are not taught. Access to real-life work environments and opportunities for career exploration are unnecessarily restricted.

A critical issue is the extent to which education and training program managers are aware of and responding to technological advances. The major missing element in the people/technology equation is the lack of planned linkages. Educational institutions and private sector employers have been virtual strangers. Educators and training practitioners have acted from adversarial roles harmful to the best interests of young people and adult learners.

Goal 5: To create more effective and balanced linkages between technological opportunities and the educational preparation of rural youths and adults.

Comment:

- Greater linkages need to be created between a range of disciplines in both secondary and postsecondary programs and institutions. Efforts need to be made to reverse a trend of over-reliance on technological development at the expense of more reasoned human development.

- We need a variety of collaborative mechanisms for private and public sector involvements. The development of rural work-education councils in a variety of rural communities is called for. A joint administration and funding for such an initiative should be made available by public and private sources including federal and state government, rural advocacy groups, land grant colleges, farm cooperatives and national and local manufacturing, trade and industrial organizations.

- The establishment of a Rural American Human Resource and Technology Council with regional and local counterparts. Such a council should be appointed by the President of the United States and be charged with:

--Comprehensive state of the art overview of the relationship between human and technological development in rural America. These should be updated every three years.

--Enumeration and analysis of model programs, activities and enterprises which exemplify optimum balance.

--Projection of trends and recommendations of the types of education and training most responsive to these developments.

ISSUE: LINKING LAND USE AND ECONOMIC DEVELOPMENT

Problem: The United States contains roughly 2.3 billion acres. A third of this acreage is in federal ownership--the primitive areas and unsettled vastness of the public lands. About ten or maybe fifteen percent of land, depending on the basis for calculation, is metropolitan, urban and suburban. The remaining 50-55 percent of the nation is "working land" producing food, timber, energy and mineral resources, and water.

The majority of the American land is that it is under historic new pressures. Where once agricultural could use up land and move on, now according to the United States Department of Agriculture statisticians, there are only 52 million acres of "prime" agricultural land left that are not already in use. At the same time, the need for increasing productivity–for food to sell abroad to offset oil-import costs, and more recently, to produce biomass feedstocks for conversion into fuels and energy–is going to add to the pressures on the working land-base. Other products–lumber, fibers, fossil fuels, hard-rock minerals–compete for the same land. Strippable coal underlies some of the best corn-producing acreage in the world. Industrial wastes and demands for water threaten the productivity of agricultural lands.

Resettlement from other areas has boosted the population growth rate of non-metroplitan counties as a class above that of metropolitan counties for the first time. By 1975, manufacturing, not agriculture, had come to provide the largest single category of rural jobs. Moreover, the rate of new jobs of all kinds in rural areas is increasing twice as fast as jobs in metropolitan areas. The result of this activity is the conversion of three million acres of rural land to "urban" uses each year--a situation that more than likely will bring a great many rural counties the same kind of growing pains experienced by suburban counties during the 1950's and 1960's.

Discussion: The new pressures will require responses of a kind unfamiliar to most policy makers, to rural people, and to land-use planners and environmentalists. The overlay in rural counties of which is essentially urban economic development is in many respects a good and desirable event. On the other hand, unless this overlay is carefully mediated, it can and will destroy the resource-based economy arising from the production of renewable and non-renewable natural resources. Without effective land use policies guiding growth and change in rural America, the chances are better than ever that many of our working landscapes can wind up as economic wastelands rather than part of the most productive land-base of any nation on the face of the globe.

Goal 6: To establish national and state policies which will preserve irreplaceable agricultural farmlands as a vital national resource while encouraging multiple, well-balanced uses for less sensitive areas.

Comment:

- The profound improvements in agricultural land uses which were promulgated by the Agricultural Extension Service in the 30's need to be significantly updated, broadened and reinvigorated.

Such efforts should be led by rural developers of the U. S. Department of Agriculture and actualize the flow out of national and state rural development policies.

Such efforts need to be comprised of a number of vital components:

--General public awareness initiatives regarding rural resource preservation, management and optimal long range multiple usage.

--Revision of existing laws, regulating practices and statutes governing agricultural lands both private and public with primary focus on the preservation of irreplaceable prime farmlands and woodlands.

--Specific education and training programs developed and led by Agricultural and Grant Colleges, Community Colleges, State Teachers Training Institutions in conjunction with a collection of private rural economic interests, including cooperative, advocacy and community-based organizations.

--Particular emphasis on the procedural usage, both substantive and methodological, of key resources

--Water, both surface and underground
--Top soil
--Symbiotic ground and underground land uses
--Woodlands

- An expanded and intensified effort nationally, regionally and by states to develop and actualize anti-pollution of the rural countryside through complimentary policies and procedures. Specific emphasis should be put in the following:

--Nuclear waste pollution
--Animal wastes pollution
--Chemical pollution
--Water, soil and ground pollution

- Rural development requires a significant broadening from more singular emphasis on agriculture to the more representative needs of present day rural American manufacturing and service development needs.

Reorientation, education and training of U. S. Department of Agriculture, Interior, Commerce and the Corps of Army Engineers to re-establish effective conservation policies.

ISSUE: LINKING EDUCATION AND TRAINING WITH RURAL ECONOMIC DEVELOPMENT

Problem: Rural economic Development cannot occur without parallel human resource development. All too frequently rural inhabitants, particularly those with limited academic and vocational achievement are relegated to supportive, low income positions in economic development efforts. Deficient and sparse rural education and training programs and services have resulted in the importation of skilled personnel and managers. Thus, in the main, only limited improvement of local educational and economic development efforts occur.

Discussion: Human resource development, traditionally, has been the purview of the educational system. This has occurred through post-secondary programs, as well as public and private alternative educational/training programs and services. The public educational system, frequently, is the most important institution in a rural community. It is expected to uphold traditional values and life-styles, as well as prepare its youth to participate in and contribute to the survival and development of their community in the future. It is frequently both the pursuer of the status quo and the principal agent for change. This paradoxical role has permitted other institutions in rural communities to exert a disproportionate influence on community development endeavors.

The rural economic base poses significant problems for rural young people. The lack of occupational diversity means that few job and on-the-job training opportunities are available and role models for jobs other than farmwork, marginal and blue-collar positions are scarce (Marshall, 1976). Private and public sector employment opportunities are severely limited, and although the location of more manufacturing plants in rural areas, especially in the Southeast, has resulted in somewhat more diversified employment opportunity, a large proportion of these jobs are going to workers imported from urban areas (Miles, 1973). The problem is compounded by inferior labor market information systems and inadequate educational and vocational preparation.

The need for more accurate and complete labor market information and occupational counseling in rural areas is acute. Responses to a 1974 survey of rural youth indicated that the 800 male and female high school seniors in the sample had very limited understanding of the world of work, were insecure and suspicious about their prospects for employment, and were unfamiliar with the federal-state employment service. A recent survey of job placement services provided by public school systems in the United States reveals that only 35 percent of school districts with fewer than 25,000 students had such services as compared to 71 percent of the districts with 25,000 students or more (Department of Health, Education and Welfare, 1976). Federal and state placement agencies (including the U. S. Employment Service) have limited coverage of, and thus limited effectiveness in, rural areas (Marshall, 1976).

Educational attainment is another area where sharp differences between non-metropolitan and metropolitan populations are apparent. In 1974, in the nation as a whole, 53.9 percent of non-metropolitan residents over age 25 had completed high school, in contrast to 59.8 percent in central cities and 68.5 percent in the suburban rings. Within the non-metropolitan group, more exacting breakdowns emphasize these differences. In counties with no town larger than 2,500, only 42.5 percent of the adults had completed high school compared with 52.8 percent in counties with a town of 2,500 to 24,999, and 62.0 percent in those designated non-metropolitan with a town of 25,000 or more (U. S. Department of Commerce, Bureau of Census, 1975: 54, Table 9). Even these figures are a bit deceptive since as high a proportion of non-metropolitan as urban youth aged 16 or 17 are enrolled in school. The drop-off occurs rapidly in the next higher age group, because significantly lower proportions of rural youth are enrolled in higher education (Sanders, 1977: 103). This is consistent with a great number of studies that have shown much lower levels of educational attainment among rural and farm adolescents, in comparison to their urban counterparts.

Adequate educational preparation is a crucial element in a smooth school-to-work transition; unfortunately, rural educational systems labor under the burdens of inadequate resources, training and support services. Vocational schools, in many instances, are still directing students into traditional rural job paths, mainly agriculture or homemaking. During the period between 1950 and 1966 when farming jobs declined to the lowest point in decades, enrollment in vocational agriculture rose to a new high (Department of Agriculture, 1969). These educational and employment difficulties are often exacerbated by geographic isolation, inadequate medical and social services, and a pattern of out-migration to urban areas that further contributes to the depletion of an already inadequate tax base in rural communities.

Goal 7: To establish national, regional and state priorities and generate action initiatives which generate realistic linkages between education and training with rural economic development. This should occur through a collaborative aegis of a cross-section of public and private rural sector interests.

Comments:

- General upgrading and diversification of rural education and training opportunities is vital to rural economic development. This can only come about through a series of fundamental changes in rural education programs:

--Equity of funding of existing educational entitlements with metropolitan educational programs.

--Generation of revised more current and diversified teacher training programs and curriculum offerings at state teacher colleges, community colleges, vocational colleges and state land grant universities.

--Enlargement and intensification of rural secondary educational counseling services which combine professional and lay role models in direct orientation guidance of multiple career options.

--Market expansion of adult, continuing and community education programs which combine professional educators with diversified community vocational specialists in on-going community based education and training experiences.

--Providing expanded and idiomatically accessible occupation information, economic indices and trends, and marketing data through micro-computer based retrieval and dissemination systems, similar to but greatly improved of existing state occupational information coordinating systems.

--Expanding and supporting rural education and training programs conducted by private economic enterprises, community based organization and proprietary schools. This should include financial aid, data and information sharing, curriculum development and integration with public schools.

--Federal and state incentives and support for the redevelopment of rural community based schools, with centralized schools serving as resource development centers.

--Expansion of joint school and community based development programs which involve school attending youth in on-going practical supervised hands-on, real education/work experiences.

--The generation of rural-metropolitan school based community exchange programs for people, ideas and information.

--Revised state and federal guidelines of public education administrative procedures and content which responds more adequately to the idiomatic needs of rural development and not metropolitan priorities.

--Generation of small and micro based economic enterprise education and training programs which strengthen current economic enterprises and the growth of this and new ones by providing training to members of and/or entire family units. Such programs should begin with the particular needs of rural enterprise development.

--Generation of national, regional and state curriculum development and teacher training programs which promulgate rural multiple skill development.

ISSUE: ENHANCING TRADITIONAL AND INNOVATIVE RURAL SUPPORT SERVICES

Problem: Diseconomies of scale can have devastating effects on the operation of programs and services in rural areas.

Discussion: Rural areas are typically the last to benefit from industrial public services, as was the case with electrification, sanitary water treatment, roads, and other components of an economic development infrastructure. The same is true (only more so) for social services. Health, education, skill training, libraries, recreation services all suffer in comparison to their urban counter parts. Longer distances and greater dispersion of people create larger per capita operating and maintenance costs. Communications and activities are more difficult to maintain despite the fact that individuals are more likely to be known to one another. Leadership gets stretched thin simply because the relatively few people with talent and inclination for leadership are called upon for every purpose.

This circle of resistance to positive development of rural communities is the norm. Examples of alternatives do exist. Some of these examples result from influxes of capital and leadership derived from outside investments in rural areas. More typical examples derive from gradual improvements in education and social services initiated by local leaders.

The core problem is one of helping local, indigenous leaders to find the leverage they need over financial and political resources that can make a real dent in the backlog of rural development issues in their area. Basic educational skills and greater awareness of opportunities (both rural and non-rural) for careers are essential if rural areas are to develop the depth of leadership and breadth of interests essential for community self-development.

Unfortunately, two of the most inhibiting forces in rural communities are lack of self-confidence and a sense of lack of control over important decisions affecting rural life. These two forces reinforce each other. Lack of cultural sophistication and lack of access to the modern technology of information and influence give these forces, or fears, a grounding in reality. Decisions affecting education and economic development frequently are made far from home by people with suburban or urban problems most in mind. Schools are closed and consolidated (typically at little or no net fiscal saving) without consideration of the importance of the school to community cohesiveness and businesses. State economic development agencies work with prospective clients without adequate consultation with communities being considered. Creating the intellectual skills and motivation to assume self-responsibility in the face of these barriers is the crucial task of building rural support services.

Goal 8. To rebuild the self-confidence of rural American communities by ensuring adequate social services and by creative use of the skills and energies of all rural people.

Comment:

Crucial rural support services need to become an integral component of rural development in order to assure equity in the development of programs and services with metropolitan counter--parts.

- A key element in the general deficiency of rural development is the lack of adequate access to and impact on decision-making structures and processes which fundamentally affect rural communities. It is vital that local rural communities have a greater role and voice in the determination of rural development schemes which all too frequently have been forced on them as derivative urban problems.

Multi-leveled, two-way decision making planning and development processes employing up-to-date micro computer technology needs to be made available as a regular adjunct to public and private outreach rural development programs.

Every rural community of 2,500 or more persons should have access to a one-stop micro-computer media center which provides the following fundamental element of services:

--All relevant governmental programs and services, including eligibility requirements, participation criteria, etc.

---Easily identifiable laws, statutes and regulations which apply to rural development.

--Economic, educational and training indices relevant to the growing, extraction, processing, marketing and servicing of goods.

--Capacity for retrieval, dissemination and development of data and information relevant to rural development.

--Transportation and communication allowances need to be included in all rural programs and services. They should provide for additional resources, including labor costs, to offset the diseconomy of scale which pervasively prevent rural communities from developing and operating programs on a basis of equity with urban communities.

--Inter-regional rural communities exchanges of information and people need to be facilitated. Also, greater exposure of extra rural community program and services, need to be made possible through design, planning administration and operations. This includes workshops, conferences, orientation and training sessions at national, state, regional and national levels.

ISSUE: SERVING SPECIAL RURAL INTEREST GROUPS

Problem: The sense of common social fate across groups in traditional rural communities needs to be reformulated today to recognize the gradually increasing social, political, and economic stature of special interest groups and the greater complexity of economic development. As groups better understand the limitations imposed by resource fragmentation, they should seek accommodations and cohesiveness in new initiatives.

Discussion: The disadvantages of rural America as a whole, and the extraordinary disadvantages of specific rural interest groups, are systemic in origin. Creating lasting remedies to these conditions will require greater attention to the inclusion of all groups in problem-solving activities together with traditional rural power structures. As traditional power groups discover limitations on their abilities to cope with economic development demands, they too should prove more open to collaborative action than has been the case in years past.

The importance of this shift in inter-group relations is essential for further improvements in the services and opportunities available to special rural interest groups. Who are these groups? We include all groups who still bear disproportionate burdens of poverty, physical and mental handicapped, lack of education, lack of sanitary facilities and decent housing, and a surplus of discrimination and even fear.

Reform programs of the past two decades have helped to educate, feed, and house the poor, the handicapped, and the victims of discrimination. Participation in politics has been democratized progressively. But one cost of these programs has been to stigmatize the individuals served and to disrupt a sense of community. A new sense of community "wholeness" is needed, one that accounts for the changed status of disadvantaged groups, recognizes the limitations under which those groups and established groups operate, and provides a common goal for improvements in the full life of the community.

Among the problems still facing rural America:

- The relative income position of rural residents improved during the seventies, but for all major racial/ethnic groups income remains lower in rural areas than in the urban.
- Increased labor force participation by women has occurred in rural as well as urban areas, but rural women continue to occupy lower paying positions than urban women or men of all residence categories.
- A disproportionate share of the nation's poor continues to live in rural places; the majority of the rural poor is located in the South, reflecting the existence of persistently low-income counties in that region.
- Despite increased educational attainment, rural students are more likely to enroll in school later, progress through school more slowly, complete fewer school years, and score later on national assessment tests than their urban counterparts.
- Rural minorities such as Blacks, Hispanics, Native Americans, and low-income Whites are more disadvantaged in terms of educational attainment than their urban counterparts.
- Rural areas have the lowest amounts of medical resources (e.g., physicians, hospital beds) per capita, while the average health status of rural people remains somewhat lower than for urban residents.
- Housing conditions in rural communities improved markedly during the seventies in regard to increased construction and decreased substandard housing, but by almost any measure of adequacy (e.g., complete plumbing or lack of crowding) housing continues to be poorer in rural areas.
- Because of reductions in local transit systems, intercity bus lines, and air carrier services, rural residents have less access to public transportation than was the case previously; this is especially critical for the poor, elderly, handicapped, and the young who often lack private transportation alternatives.
- Proportionately fewer rural households have access to sewer and water services than urban; many rural housing units continue to be constructed without connection to public sewer or water lines and must rely on private systems.
- The level of per capita expenditure by local governments in urban counties continues to exceed that of rural counties; this gap in overall spending widened during the seventies.
- Gifted and talented rural youth have fewer opportunities for education, special tutoring and training than do their urban and suburban counterparts.

Goal 9: To improve the education, training, and work opportunities for all rural special needs populations through a policy of greater inclusion of their diverse resources in the design and implementation of human resource and economic development programs.

Comment: When underlying good will and trust are created at a leadership level in rural communities, the same factors of size and weak infrastructure that frequently are obstacles to economic growth can be turned into aides in social and political development. Rural communities with diverse, non-monolithic leadership groups can achieve wonders of cooperation that show positive results and confirm the advantages of rural areas even under conditions of relative economic status.

For example, rural communities have demonstrated the capacity to absorb physically and emotionally handicapped youth into their economic mainstream without the institutional "solutions" of urbanized areas. Rural areas also find ways to "hide" their handicapped citizens. The difference between hiding and facing the needs of people well known to a whole community is a matter of leadership first and extra resources second. Resources are crucial in that they reduce the sacrifice and improve the quality of efforts made by leaders and others.

Resources are also crucial when used to develop accurate information about the scope of special needs problems within specific communities. With 90 percent of America's rural blacks living in the southeastern quarter of the nation, for example, it is obvious that a different set of key issues will pertain to those states than to the Northeast. Communities must help themselves; that is true. But those that accept the challenge of self-initiative must be rewarded with recognition and assistance from outside. The world is too complex to believe that rural America's needs for community services can be answered totally from within. Priority attention should be paid to:

- Good schools.
- Access to technical training in occupations in demand regionally.
- Well-organized youth recreation and community service programs.
- Specialized teachers and counselors capable of organizing networks of employers, service agencies and special interest group leaders.
- Assistance in community self-assessments of demographics, resources, current relationships between employment and special needs groups.
- Rural Economic Development Zones. Such zones should be established in no fewer than 20 regions of the nation. Moratoria on existing statutes, regulations and program guidelines could be instituted on a 3-to-5 year test basis.

ISSUE: RURAL COALITION-BUILDING

Problem: What is called for is not the elimination of healthy and productive competition, but competition which is encouraged to take place in an atmosphere of rational collaboration. Past rural development efforts have been essentially adversarial: state against state, county against county.

Discussion: Some important vanguard efforts in this regard during the latter part of the 1970's were in the form of local and state rural work-education councils. These action councils are composed of leaders and representatives of both the public and private sectors including education, industry, commerce, agriculture, labor, government and advocacy groups (See A Charter for Improved Rural Youth Franchise, National Institute for Work and Learning, 1978).

Such neutral action councils provide opportunities for different, often seemingly antithetically disposed groups to begin to work in mutually advantageous give-and-take pursuits of the probable beneficial outcomes for communities in the context of states, regions and the nation as a whole.

Goal 10: To develop collaborative mechanisms and processes to build coalitions of rural interests for more rational rural development.

Comment:

- Resources for such an effort should come from both the public and private sectors. All program expenses would be expected to be generated by respective councils. Core staff funds should not be less than $30,000 per annum and no more than $75,000 per annum depending on the size of geographic stage of development, levels and types of activities. Funding sources should be both federal, state, and local and be equally shared by public and private interest spheres.

--Public funds should come from earmarked set-asides from existing and/or new programs in education, rural development, economic development, and manpower development as well as local and state taxes.

--Private funds should come from membership contributions and tax-exempt contributions.

- A national intermediary organization should be developed for the express purpose of providing the necessary coordination, advocacy, information retrieval, development and dissemination, and planning for more effective rural development.

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The SRDC is one of four regional rural development centers in the nation. It coordinates cooperation between the Research (Experiment Station) and Extension (Cooperative Extension Service) staffs at land-grant institutions in the South to provide technical consultation, research, training, and evaluation services for rural development. This publication is one of several published by the Center on various needs, program thrusts, and research efforts in rural development. For more information about SRDC activities and publications, write to the Director.

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